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Andropov Legacy: Soviet Turning Point?

By Dusko Doder
Washington Post Staff Writer

MOSCOW — It all began and ended in blasts of cold from the Arctic.

On a November day in 1982, Yuri V. Andropov was facing the country for the first time as its new leader. The north wind blew in stinging gusts across Red Square as he passed the rites facing the coffin of his predecessor, Leonid Brezhnev.

Power in the Kremlin
Brezhnev to Gorbachev

First of three articles.

Brezhnev. His voice was clear and decisive. His bearing seemed to project hope of a bright future. Fifteen months later, it was Andropov's own coffin that was borne over the vast square, shimmering in the pale sunlight on a windy February morning.

The question many thoughtful people asked at the time was whether Andropov's brief tenure as Kremlin leader would be a mere footnote in Soviet history books or one of its main chapters.

It was difficult on that freezing February day to pass judgment. In mourning him, the Russians appeared to mourn a loss of policies that seemed, briefly, to offer a chance of moving the ossified Soviet system into a new era.

In retrospect, Andropov's 15 months in power did mark a turning point. It left a lasting impact on the Soviet system, and it was, ultimately, the basis of the optimism and activism that has sustained the administration of the current Soviet leader, Mikhail S. Gorbachev.

When Brezhnev died in March 1982, Mr. Gorbachev became the heir and executor of the Andropov inheritance. Without the Andropov drafting, he would not have been able to consolidate his power so quickly and move so forcefully.

The Soviet Union is a country of unfulfilled potential, a country constantly hoping for a chance for a new beginning. During the past four years, it has lived through a period of uncertainty, depression and groping, yet one that also eventually yielded a potentially crucial transition — from Brezhnev to Andropov to Gorbachev.



Yuri V. Andropov, in November 1982, helped bear Leonid I. Brezhnev across Red Square for burial behind Lenin's Mausoleum. Only 15 months later, Andropov was dead.

In a country that treats information as a privilege to be distributed on a need-to-know basis, the truth is difficult to know and can only be approached by others by piecing together bits of information and analyzing them.

The tragic, coarse, brutal and at the same time human and delicate aspects of Russia have always struck this correspondent as almost biblical. Now, after the death of three leaders in three years, there is new hope for a new start.

That Andropov's brief tenure is proving to have been a turning point seems all the more remarkable when one remembers that he was seriously ill for much of his 15 months. His kidneys collapsed four months into his rule and he had to use a dialysis machine at least twice a week.

In late September 1983 his condition became so grave that he was hospitalized. In October, doctors removed one of his kidneys and from that point on, a high official resided in a specially equipped apartment inside the government hospital at Kuntsevo, always attached to a dialysis machine.

him by phone two weeks later and his voice was firm and cheerful and I thought, well, he was going to recover.

At the end of January 1984, Andropov's condition deteriorated sharply. His first days of February he slipped into a coma, never to emerge. The phone calls stopped. Government came to a standstill. Pavel Laptev and two other close personal aides moved into the Kuntsevo apartment. Andropov died Feb. 16 at his most recent residence, Yegor K. Ligachev, was making his first speech as a Central Committee secretary.

When the death was announced the next day, it came as a surprise to the vast majority of Soviet citizens. While Andropov's health was deteriorating in the last two months, the propaganda machinery had moved into high gear, creating an illusion that the leader was more active than ever.

The initial shock turned into widespread depression when it was announced that Konstantin U. Chernenko, 71 at the time, had been elected general secretary of the Communist Party, the country's most powerful post. He was not only older than Andropov and obviously in poor health, but he was also part of the Brezhnev "mafia" that had run the country for 18 years, leading to the decline and despondency of the early 1980s.

Was it a return to the Brezhnev era? What was to become of the hopes for national revitalization that Andropov had raised?

Looking back, one can see why Andropov's tenure was a turning point. First, Andropov pushed Mr. Gorbachev to the fore and placed in the leadership a group of young men who brought with them the ideas of national revival and reform that had been percolating under the surface during Brezhnev's last years of inactivity. These men had had to wait on the sidelines for far too long while a complacent Brezhnev administration ignored the gathering crisis.

In moving them up, Andropov brought about a true generational change. The second point was more fundamental and, hence, more important. For more than six decades the Soviet Union has lived in a false paradise. For a long time, the utopian dream of a new society had been a distant, unattainable goal.

On a bad day "his voice was weak," recalled an official who had known Andropov for nearly three decades. "It was in December," the official said, "and when we finished discussing business at hand and I was about to leave, he got up from his armchair and embraced me. He did so as if he knew that we were saying each other for the last time and I was deeply touched by his gesture and saddened. When I tilted to



SOVIET APPEAL TO WEST — The new Soviet foreign minister, Eduard A. Shevardnadze, right, was received by his Finnish counterpart, Paavo Vayrynen, when he arrived in Helsinki on Monday to mark the 10th anniversary of the signing of the European security accord. In a statement, he called for a drive to improve East-West relations. Page 2.

Gorbachev Says Soviet Will Halt Nuclear Testing For Five Months

Compiled by Our Staff From Dispatches

MOSCOW — Mikhail S. Gorbachev, the Soviet leader, announced Monday a five-month unilateral moratorium on nuclear tests beginning on Aug. 6, the 40th anniversary of the U.S. atomic bombing of Hiroshima.

At the same time, he asked that the United States also refrain from tests during that period. In Washington, a senior U.S. official said that the administration would reject the Soviet proposal.

The Soviet Union has proposed such a test ban in the past and also has mentioned the Hiroshima anniversary as a possible starting date. The announcement, carried by Tass, the Soviet news agency, was released shortly after President Ronald Reagan issued an invitation to the Soviet Union to send a team of observers to witness nuclear tests at the U.S. test site in Nevada.

Although Mr. Gorbachev put a time limit on the moratorium, he said that the ban "will remain in effect ... as long as the United States, for its part, refrains from conducting nuclear explosions."

Mr. Gorbachev called the arms race an "immense threat to the future of the entire world civilization" and called his announcement of a ban a step toward forging a fuller agreement on nuclear disarmament.

"Striving to facilitate the termination of the dangerous competition in building up nuclear arsenals and wishing to set a good example, the Soviet Union has decided to stop unilaterally any nuclear explosions starting from Aug. 6 this year," he said.

His announcement Monday appeared to have been timed to coincide with the opening of meetings in Helsinki to mark the 10th anniversary of the signing of the 1975 Helsinki accord on European security, cooperation and human rights.

The senior U.S. official, who spoke on the condition that he was not identified, said that Mr. Gorbachev notified Mr. Reagan on Sunday. (Continued on Page 2, Col. 3)

Botha Refuses to Meet Separately With Tutu on South African Unrest

Compiled by Our Staff From Dispatches

JOHANNESBURG — President Pieter W. Botha rejected Monday a request by Bishop Desmond M. Tutu for an urgent meeting on black unrest and said instead that the Nobel Peace Prize winner could join a church group that the South African president is scheduled to see in three weeks.

Mr. Botha's office said the president "has already organized his tight schedule" to include a meeting with an Anglican Church delegation on Aug. 19, led by Archbishop Philip Russell of Cape Town. Archbishop Russell is white and Bishop Tutu, the Anglican bishop of Johannesburg, is black.

The president's office said Mr. Botha's reply indicated he was not willing to hold an earlier, separate meeting with Bishop Tutu, and that Mr. Botha "obviously doesn't want to dictate to the Anglican Church on who they should include in their delegation."

Bishop Tutu appeared to be angry at the president's response, saying: "I don't play political games, and I would have thought the situation requires statesmanship. I have done all I could about it on my side."

"I don't see how I can go" with the other delegation, he added, because Archbishop Russell had already invited leaders from several other churches to accompany him to that meeting.

"I had hoped that I might have been able to do something; obviously, he thinks differently," Bishop Tutu said when asked if he thought Mr. Botha had missed an opportunity to try to defuse nearly a year of black unrest. [In Washington, a State Department spokesman expressed disappointment over Mr. Botha's refusal to hold immediate talks with Bishop Tutu, Reuters reported.]

Bishop Tutu took a political risk in making the request to see the South African president. The Associated Press reported. Many black leaders have opposed negotiation with the white rulers until they demonstrate a commitment to begin dismantling apartheid.

Bishop Tutu said last week he was willing to meet Mr. Botha to discuss ways to end the political violence in the country's black townships and the state of emergency invoked July 13. Responding Friday, Mr. Botha said he would negotiate with anyone who opposed violence and he invited Bishop Tutu to call his office to make an appointment.

Government sources told United Press International, however, that the president was more likely to agree to a meeting with a church delegation because a direct meeting with the bishop could carry strong political implications.

Bishop Tutu and Mr. Botha have been sharply critical of each other since their last meeting broke down in 1980. Mr. Botha has come under fire at (Continued on Page 2, Col. 8)



Bishop Desmond M. Tutu



General Tito Okello

New Leader Is Sworn In By Uganda

United Press International

KAMPALA, Uganda — Lieutenant General Tito Okello, the commander of Uganda's armed forces, was sworn in Monday as president of a new military government, two days after rebel troops toppled the civilian government of President Milton Obote.

General Okello, 71, promised elections and a return to civilian government within a year. The new president is no relation to Brigadier Basilio Okello, who was identified by Radio Uganda as "our leader" after his rebel troops staged the coup Saturday.

Both Okellos are members of the Acholi tribe of northern Uganda. [Brigadier Okello joined the new president at the swearing-in ceremony. The Associated Press reported from Kampala.]

Order was returning Monday to Kampala, where soldiers had gone on a two-day looting rampage. Military sources said 115 North Korean Army and police instructors who had been working for the Obote government have been placed under guard.

Radio Uganda said that General Okello, once a close friend of Mr. Obote, would act as head of state and chairman of the Military Council until elections were held. The radio said General Okello would appoint an executive prime minister, who in turn would appoint a cabinet.

The new military rulers have suspended Uganda's constitution, dissolved Parliament, banned foreign-currency transactions and closed borders. Military officials said all former Obote cabinet ministers who surrendered have been released, except for the former security chief, Cpt. Rukwasisa.

Permanent secretaries who headed ministries under Mr. Obote have been promised amnesty if they return to their jobs, officials said. The Kenyan government has confirmed to diplomats in Nairobi that Mr. Obote has been granted refuge in Kenya. Diplomats believe the deposed president is staying under guard at President Daniel Arap Moi's farm in a town northwest of Nairobi. Western diplomats said hundreds of refugees, including at least 16 Britons, had fled to Kenya.

Soviet Naval Challenge To U.S. Grows in Pacific

By Robert C. Toth
Los Angeles Times Staff Writer

TOKYO — On the shallow sea bottom of the Tsushima Strait between the home islands of Hokkaido and Honshu, Japanese intelligence experts have identified the crawling tracks of Soviet miniature submarines. The tracks are mine signs that Soviet special forces are drafting contingency plans for amphibious landings to seize control of that key waterway in time of crisis.

Similar tracks have been detected in the Soys, or La Perouse, Strait to the north and the Korea Strait to the south. These passages are strategically critical because it is through them that the Vladivostok-based Soviet Pacific fleet must sail to pass Japan and reach the open Pacific.

The crawler marks, similar to those found in Swedish and Norwegian fjords, dramatize a Soviet buildup in northeast Asia that has altered military realities in the area.

In the view of many U.S. military commanders and civilian specialists in the region, Soviet forces, while ostensibly defensive, are poised to intimidate Japan and China and are increasingly capable of challenging the U.S. Navy throughout the Pacific.

Over the last decade, the Joint Chiefs of Staff concluded earlier this year, Soviet activity has created an "unfavorable balance" of forces in the region that "continues to deteriorate."

Admiral Sylvester R. Foley, commander-in-chief of the U.S. Pacific Fleet, said in an interview at Pearl Harbor that the Russians posed a threat not only in the northern Pacific but along the entire Pacific rim and into the South Pacific and Indian Oceans. He linked the threat to new naval and air bases at Cam Ranh Bay and Danang in Vietnam.

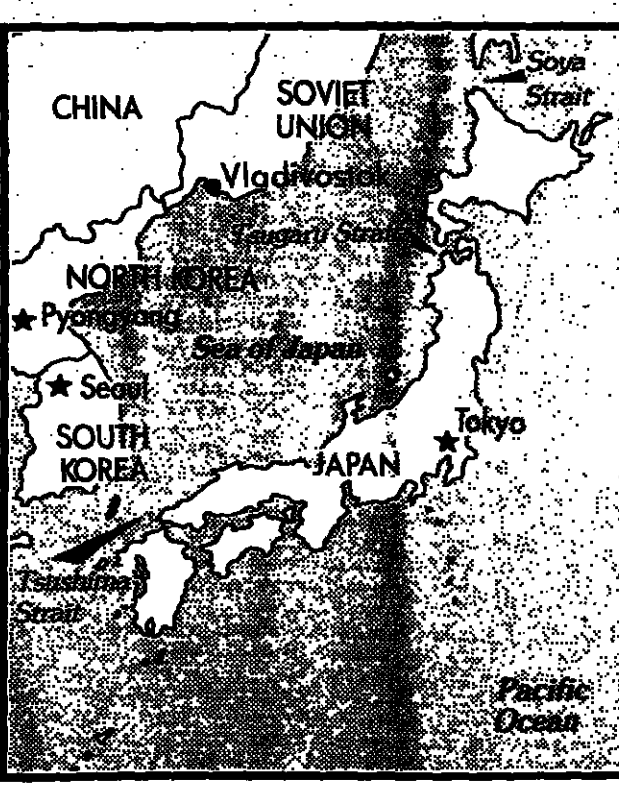
The U.S. ambassador to Tokyo, Mike Mansfield, said: "What you are seeing here is a threat that has been generally lost in the shuffle because of Washington's concentration on Europe."

The result, according to Peter Polonsky of the Australian National University, is that "the Pacific region is destined to become the main focus of superpower rivalry."

Masashi Nishihara of Japan's National Defense Academy said that as the Russians eyed opportunities to convert their military muscle into political advantage in the Philippines or Indonesia, for example, the region must face the risk of another "hot" war for decades to come.

For the present, the security situation in the region is believed to remain generally favorable to the United States and its allies, Mr. Nishihara said.

It was the Chinese-Soviet political split and border clashes of the



The Washington Post

1960s that triggered the Soviet military expansion in the region. Moscow accelerated its buildup when the United States and China began drawing together in 1970 and redoubled the effort after the U.S. defeat in Vietnam in 1975. The defeat was broadly seen as prefiging a wholesale U.S. withdrawal from Asia.

Spurred by these events, Moscow's ground forces along the Soviet-Chinese border tripled in size to about 450,000 men in 52 divisions, including two airborne divisions deployed in Mongolia, less than 400 miles (600 kilometers) from Beijing.

Forty percent of the Soviet Union's intercontinental missiles, land- and submarine-based, are positioned in the Far East, along with more than 30 percent of Soviet military equipment.

Moreover, no Latin American government except Venezuela, which has huge foreign exchange reserves, has been able to renegotiate its foreign debt without first working out an austerity program with the IMF.

At the same time, the continuing economic difficulties of the largest debtors — Brazil, Mexico and Argentina — have kept alive the search for new approaches that could reduce the vast outflow of resources from the region.

Mr. Garcia said his government intended to repay its foreign debt "because we are honest and assumed a responsibility to do so." But he pointed out that Peru's entire anticipated export earnings of \$3.1 billion in 1985 would not cover the interest and principal payments of \$3.7 billion due this year.

Peru has not made any payments on its commercial debt principal for more than a year and is \$475 million in arrears on interest payments, \$170 million of it owed to U.S. banks.

Mr. Garcia warned Sunday that the country faced "a period of difficulty and austerity," and pledged that "a tough economic program" would be adopted. But, while ne-

Peru's Debt Plan Challenges World Lending System

By Alan Riding
New York Times Staff Writer

LIMA — Peru's announcement that it would limit payments on its foreign debt represents the most daring challenge to existing monetary rules since the eruption of the Latin American debt crisis three years ago, and seems certain to cause consternation in international banking circles.

The country's new president, Alan Garcia, said in his inaugural address Sunday that Peru would limit payments on its foreign debt over the next 12 months to no more than 10 percent of its export earnings as it sought to renegotiate its \$14-billion foreign debt.

Mr. Garcia, a 36-year-old Social Democrat, added that Peru planned to deal directly with its creditors without the involvement of the International Monetary Fund, which he described as "an accomplice" in the country's economic crisis.

The Peruvian leader said a united Latin America should treat the foreign-debt issue politically in order to obtain lower interest

rates, longer repayment periods and new trading opportunities from developed countries.

But in an apparent criticism of President Fidel Castro of Cuba, who recently called for a regional debt moratorium, Mr. Garcia cautioned that the debt problem should be seen in North-South, rich-poor terms rather than in an East-West ideological context.

[Latin American diplomats said the new Peruvian policy could influence a meeting Monday in Lima of 11 foreign ministers of the Cartagena group linking the region's biggest debtors, Reuters reported.]

Ten percent of Peru's annual export earnings would be about \$310 million. Officials indicated that the government of Mr. Garcia's predecessor, Fernando Belaunde Terry, paid more than \$1 billion annually before falling in arrears.

Although the idea of linking debt payments to export earnings has been frequently mentioned by Latin American governments as a way to enable them to resume economic growth, no regional debtor has, until now, adopted such a policy.

Guadeloupe Court Orders Release Of Jailed Activist

The Associated Press

BASSE-TERRE, Guadeloupe — The appeals court here ordered Monday the release of a Guadeloupe independence advocate from a Paris jail.

The three judges deliberated less than 30 minutes after hearing more than an hour of arguments by defense attorneys for the release of Georges Faisans, who has been on a hunger strike since June 3.

Mr. Faisans' provisional liberty from jail in Paris was tied to four conditions: that he surrender his passport, his driver's license and his national identity card, and that he report daily to the police station in the Paris suburb of St. Denis, where he is a teacher.

The same court rejected on July 19 a French prosecutor's call for (Continued on Page 3, Col. 6)

Shevardnadze, in Helsinki, Calls for Better Ties With West

By Mark Wood

HELSINKI — Foreign Minister Eduard A. Shevardnadze of the Soviet Union, on his first trip abroad since taking office this month, urged the West on Monday to join in a drive for a radical improvement in East-West relations.

In a statement issued after his arrival for the commemoration of the 1975 Helsinki Accords on European Security and Cooperation, Mr. Shevardnadze praised the agreements and said they should be protected.

"We are convinced," he said, "that the current tense situation in the world calls for joint efforts aimed at radically improving the political climate in Europe and in international relations as a whole."

In separate remarks, he said that when he holds his first meeting with the U.S. secretary of state, George P. Shultz, on Wednesday, "we will have to obtain peace." The two are to prepare the agenda for a Soviet-U.S. summit meeting in November, Mr. Shultz left Washington for Helsinki on Monday.

The Soviet minister's comments appeared to indicate that Moscow

would take a conciliatory line at the three-day meeting of foreign ministers from the 35 states that signed the accords 10 years ago. The meeting was scheduled to start Tuesday.

Praising the spirit of détente, which the West regards as having died with the Soviet military intervention in Afghanistan in 1979, Mr. Shevardnadze said the potential of the Helsinki accord should be used to improve East-West ties.

The United States has said it plans to use this week's gathering to assail the Soviet Union for what it sees as Moscow's failure to abide by the human rights commitments of the Helsinki agreements.

Besides the meeting with Mr. Shultz, Mr. Shevardnadze, 57, is also scheduled to have separate talks with his counterparts from the major West European states.

In his statement, Mr. Shevardnadze said that the Soviet Union valued the opportunity for such contacts offered by the Helsinki gathering.

Praising the 1975 accords, he said that Moscow had demonstrated its deep commitment to them and viewed them as a good foundation for improving East-West cooperation.

"That is why we believe that this foundation should be protected and its erosion prevented," he said. Mr. Shevardnadze appeared not to understand English, and in his brief comments to reporters spoke only Russian.

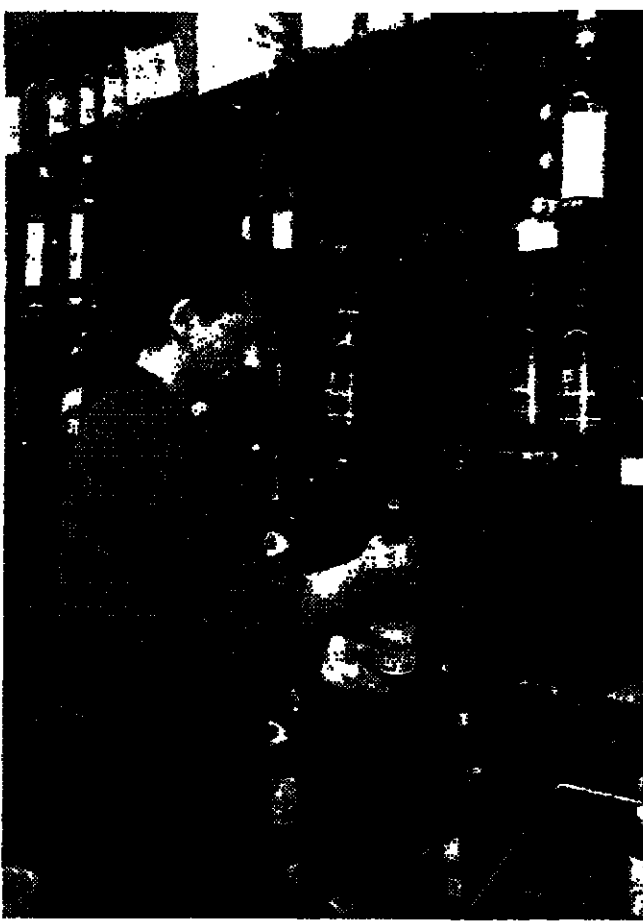
Moscow Press Attacks West

The Soviet press issued a broad attack on the West on Monday to counter the criticism that the Soviet Union is expected to face in Helsinki.

Pravda, the Communist Party daily, charged that the West had violated the Helsinki accords while the Soviet Union had remained faithful to them.

"The cheap and hypocritical rumpus, raised time and again in the United States and some Western European countries over their alleged concern for nonobservance of the Final Act, only belies the intentions of the architects of such campaigns," Pravda said.

"All they want," Pravda said, "is to use the Helsinki accords as a pretext for interference in the internal affairs of countries whose political system they want to undermine."



Wine believed to be contaminated with a toxic sweetener was removed Monday from the shelves of a Vienna market.

Strict Law On Wines Promised In Austria

Reuters

VIENNA — Chancellor Fred Sinowatz pledged Monday that a strict new wine law would be passed before the autumn grape harvest to prevent a repeat of Austria's wine scandal.

Mr. Sinowatz, speaking after a meeting of top officials, also declared his confidence in Agriculture Minister Günter Haiden despite opposition calls for his resignation.

Five million liters (1.3 million gallons) of Austrian wine have been seized and exports have been stopped after revelations that some wines were sweetened with diethylene glycol, a chemical used in antifreeze.

Health officials have warned of the danger of kidney and brain damage, and the scandal has undermined Austria's image abroad, especially in West Germany.

Sixteen persons, winemakers and chemists have been arrested in the tainting, which is believed to have started more than five years ago. Mr. Sinowatz said his government would call a special session of the assembly at the end of August or the beginning of September to pass what he called "the strictest wine law in Europe."

Government sources have said the law will obligate wine makers to include full details of a wine's source and its contents on the label and will outlaw the use of sweeteners.

A public prosecutor investigating the cases of those arrested said in a television interview that other substances had also been found in wine, added to enhance the sweetness, and that this could give another dimension to the scandal.

Discovery in Japan
Japanese officials have reported the discovery of three more brands of Austrian white wine containing diethylene glycol, Reuters reported from Tokyo.

Food officials said two of the three contaminated wines had been found in Tokyo and the other in the western city of Osaka. Two other brands, one each from Austria and West Germany, had already been found to be contaminated.

Israeli Jets Bomb Base in Bekaa Valley

The Associated Press

BEIRUT — Israeli Air Force jets raided a Palestinian guerrilla base in the Bekaa Valley in eastern Lebanon on Monday, setting a command headquarters of a Libyan-backed faction on fire, radio stations and the Israeli command reported.

Lebanon's state-run radio and the Christian-controlled Voice of Lebanon quoted their Bekaa correspondents as saying that six Israeli jets had attacked the Bar Elias area, about 30 miles (50 kilometers) east of Beirut.

The radios said there was no immediate word on casualties. But in the Syrian capital of Damascus, a Syrian Army Command statement said that a "number of inhabitants, mostly women, children and old men, were killed or wounded" in the raid.

In Tel Aviv, the military command said that all planes had returned safely to base, and that the pilots had reported hits on their targets.

Both of the radio stations and the Israeli military sources said the target was a two-story command center of the Popular Front for the Liberation of Palestine-General Command.

The command is six miles from the Syrian border. The Popular Front-General Command is headed by a former Syrian Army officer, Ahmed Jibril.

The air strike was Israel's eighth in Lebanon this year. It came a day after the Syrian defense minister, General Mustafa Tlas, made an inspection tour of Syrian forces stationed in eastern Lebanon under an Arab League peacekeeping mandate.

Israel Studies Death Penalty
The Israeli cabinet, under public pressure to execute Arabs who murder Jews, set up a committee on Monday to study the possibility of broadening the use of capital punishment. The Associated Press reported from Jerusalem.

The committee was created amid tension over the slayings last week of two Jewish teachers from the northern Israeli town of Afula. Three Palestinian teen-agers from the Israeli-occupied West Bank have been arrested in the case.

Communications Minister Amnon Rubenstein said after a five-hour cabinet meeting that the committee would study possible changes in the use of capital punishment for terrorism and premeditated murder.

Gunmen Kill Spain Expert On Terror

The Associated Press

MADRID — Gunmen believed to be Basque separatists killed one of Spain's top anti-terrorist experts Monday in central Madrid, a Defense Ministry spokesman said.

Major José Manzo, a Defense Ministry spokesman, said Vice Admiral Fausto Escrigas Estrada, 60, director-general of defense policy, died of bullet wounds.

The admiral's driver, Francisco Marañón García, 57, was wounded and listed in critical condition. The police said more than 30 bullets were fired into the car.

Major Manzo said the admiral was on his way to work at the Defense Ministry when a car cut in front of his vehicle and blocked the street. According to his account, a gunman got out of the car and opened fire.

The police said the attack appeared to be an action by ETA, the group is seeking independence for three Basque-speaking northern provinces of Spain. ETA is the Basque-language acronym for Basque Homeland and Liberty.

Witnesses told the police that two persons took part in the shooting, the gunman and his driver.

Police officers found spent cartridges of a 9mm Parabellum pistol, a weapon commonly used by ETA, at the site. Later, the car was found double-parked on a residential street about 10 blocks away.

Police blocked off the street, cleared out residents and detonated a bag in the car containing nearly seven pounds (about three kilograms) of plastic explosives, timed to go off within a short while.

Admiral Escrigas Estrada was the 24th victim of political violence in Spain this year, police officials said.

ETA has claimed responsibility for 23 deaths this year, including an ambush that killed a colonel and his driver June 12, the day of the signing of a treaty admitting Spain to the European Community.

After that killing, police found the assassin's car parked in an underground garage, where it exploded shortly after bomb experts began examining it. A policeman was killed and another seriously injured in the explosion.

Since 1968, ETA has claimed responsibility for the deaths of more than 530 police and military officials.

The highest ranking victim of an ETA attack was Admiral Luis Carrero Blanco, whose car was blown up Dec. 20, 1973.

Admiral Carrero Blanco, one of the closest aides of Generalissimo Francisco Franco, was scheduled to take over power after the dictator's death.

Gorbachev Sets Testing Halt; U.S. Invites Soviet Observers

(Continued from Page 1)

day that the Soviet Union would stop nuclear testing from Aug. 6 until Jan. 1 and had asked the president to make a similar decision.

The official said that Mr. Reagan made his own proposal in a letter that was delivered Monday to Mr. Gorbachev. He said that the timing of Mr. Reagan's letter was coincidental and had nothing to do with Mr. Gorbachev's message.

Reagan's Proposal
David Hoffman of The Washington Post reported earlier from Washington: Mr. Reagan invited the Soviet Union on Tuesday to send a team of experts to observe and measure a U.S. nuclear explosion at the Nevada test site.

Larry Speakes, the White House spokesman, said that the Mr. Reagan's invitation "clearly demonstrates the U.S. intention to go the extra mile" in arms negotiations.

The invitation appeared to represent a modification of a proposal by Mr. Reagan in September that both countries permit on-site inspections of nuclear tests.

Mr. Speakes said that the invita-

tion was "unilateral" and "unconditional."

He noted that Mr. Reagan had suggested the exchange of experts in his address to the United Nations on Sept. 24.

"The president views this proposal as a means to increase confidence in verifiable limits on underground testing," Mr. Speakes said. To date, the Soviet Union has refused to agree to this practical and fair-minded approach.

"As a demonstration of our seriousness," he added, "the president has extended to the Soviet leadership our invitation for a Soviet team to observe and to measure a nuclear test at our Nevada test site. This offer, which is unconditional, is a unilateral step which clearly demonstrates the U.S. intention to go the extra mile."

"The Soviet experts are invited to bring any instrumentation devices that the Soviet Union deems necessary to measure the yield of this test. This U.S. initiative demonstrates our commitment to achieving verifiable limitations in nuclear testing."

Mr. Speakes said he did not know when the next nuclear test would be conducted.



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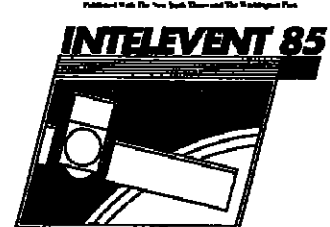
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WORLD BRIEFS

Bild Says Film Shows a Fit Sakharov

BONN (Reuters) — The West German newspaper Bild said Monday that it had obtained a recent film of Andrei D. Sakharov leaving a clinic in Gorki, the city where he is under internal exile, and being reunited with his wife, Yelena G. Bonner.

Bild said the 10-minute color film showed the dissident, a Nobel Peace Prize laureate, in good health and apparently alert. In a film obtained by the newspaper last month, Mr. Sakharov's doctor presents a report saying the physicist, who is 64, was being treated at the clinic for heart problems and symptoms of Parkinson's disease.

Bild said Mr. Sakharov, who was exiled to Gorki in 1980, was admitted to the Zvezdshko hospital there in mid-April of this year, apparently after starting a hunger strike. Two scenes from the latest film indicated he was released July 11, the newspaper said. It did not say how it obtained the film.

Bonn Said to Expel 4 Libyan Envoys

BONN (Reuters) — West Germany has expelled four Libyan diplomats on suspicion of conspiring to murder exiles opposed to the Libyan leader, Colonel Moammar Qadhafi, the weekly news magazine Der Spiegel said Monday.

The West German Foreign Ministry and Libya's diplomatic representatives in Bonn declined to comment on the report, which said the four diplomats left at the end of last week. "Security agents in Bonn accused them of planning criminal activities in order to eliminate opponents of the Qadhafi regime living in West Germany," Der Spiegel said.

The report followed a security alert 10 days ago around the Libyan People's Bureau, as the embassy is called, and a police hunt in West Berlin for a possible assassination squad. The hunt was called off last week.

India Asks U.S. to Curb Sikh Training

NEW DELHI (UPI) — The Indian government asked the United States on Monday to close paramilitary training camps run by private citizens such as one in Alabama where several Sikh militants received training in the use of arms and explosives.

The foreign minister, Khurshed Alam Khan, told the lower house of Parliament that the United States should fight terrorism either by closing the schools or amending its laws to prohibit such training.

"We value our relations with all countries, but we cannot compromise" when it comes to terrorism, he said. He said it would be "unfortunate if the United States took an extreme legalistic view on the issue by allowing such terrorist training camps to operate freely."

Hudson Wants to Change Hospitals

PARIS (UPI) — Rock Hudson has asked to be transferred to a French military hospital for treatment for acquired immune deficiency syndrome, or AIDS, the actor's publicist, Yanou Collart, said Monday.

Another source, who asked not to be identified, said Mr. Hudson, 59, who is in a special isolation unit at the American Hospital here but has not been treated for AIDS, asked to be transferred to the military hospital because he had met a French military doctor and had confidence in him.

A U.S. Embassy spokesman said the French Defense Ministry agreed last week to accept Mr. Hudson's request if his condition warranted it.

Soviet Central Asia Hit by Earthquake

MOSCOW (Reuters) — An earthquake struck Soviet Central Asia on Monday, falling communications and power lines and causing widespread damage to buildings in the city of Dushanbe, according to the government newspaper, Izvestia.

No figures for casualties were given. The state-run media normally specify no human losses when minor earth tremors occur.

Dushanbe, a city of 530,000, is the capital of the Soviet Union's republic of Tadzhikistan. Izvestia said the earthquake registered six to seven points on the 10-point Soviet scale for measuring the intensity of earth tremors.

For the Record

Iran's Council of Guardians has approved three candidates for the presidential elections on August 16, the official Iranian news agency reported Monday. They are President Ali Khamenei, seeking a second term, former Economy Minister Habibollah Asgari-Owadi and Mahmood Mostafavi Kashani, a Moslem mullah.

At least 400,000 people were stranded as rivers flooded six districts in northern Bangladesh after rains, officials said Monday.

A van parked near the law courts in Belfast exploded early Monday while the police were evacuating the area. Buildings were damaged and one officer was injured by glass, officers said.

A Sicilian police inspector active against the Mafia, Giuseppe Montana, 35, was slain Monday by two gunmen.

The British government urged the British Broadcasting Corp. on Monday not to show an interview with Martin McGuinness, reportedly a key leader of the outlawed Irish Republican Army.

U.S. Expects No Revolution In Current Pretoria Crisis

(Continued from Page 1)

invest always find a way to do it." The study, which was prepared by the department's Bureau of Intelligence and Research, predicted that the South African government would harden its policies internally and externally.

"The riots will stop even the glacial pace of internal reform," an official said.

According to administration officials, the study asserts that the bulk of the South African protesters are teen-agers who are not led or controlled by the outlawed African National Congress, the oldest and most influential organization seeking black majority rule.

The study calls special attention to what it says is a generational factor, noting that the protesters are generally younger than those who opposed the government in earlier crises, such as that in the township of Sharpeville in March 1960 and in Soweto township in June 1976.

"The leaders of the ANC couldn't shut this off even if they wanted to," the official said. Officials said that the report noted that even though the disorders had wide backing among blacks, the protesters had neither arms nor access to arms.

The State Department report also observes that the South African government is now arresting what exists of a moderate leadership group. Administration officials consider this a serious mistake, because these leaders might be the only ones who could help control the situation.

Ex-Gestapo Man Cleared In 1942 Murder of Jews

Reuters

HAMBURG — A former member of the Gestapo, Harri Schulz, 70, was cleared Monday of charges of murdering three Polish Jews among 5,000 transported from the town of Zawiessie in 1942 to the death camp at Auschwitz.

The Hamburg court acquitted him, after a 17-month trial, on the ground that during 11 months of protest against apartheid, South Africa's system of racial segregation, the western region of Cape Province not covered by the emergency decree.

(AP, UPI)

U.S. Employers Taking a Harder Line on Smoking

By Sarah Oates
Washington Post Service

WASHINGTON — With demands increasing for a smoke-free workplace, U.S. companies are devising policies that range from installing smoke-filtering machines to banning smoking altogether.

Robert Rosner, a partner in a consulting firm that has set up smoking policies for several large companies, estimates that more than half the companies in the country now have some type of policy. He predicts that half of American companies will have banned smoking in five years, mainly in order to save money.

The consulting firm's largest customer to date, Pacific Northwest Bell, has announced that its 15,000 employees will not be able to smoke at work after Oct. 15.

Pacific Northwest decided on the smoking ban after agonizing for two and a half years over employee complaints about smokers, the cost of installing smoking lounges and empathy for the employees who smoke.

"The bottom line is that Pacific Northwest Bell decided it would be better to invest in helping people to quit rather than investing in setting up places for people to smoke," he said.

The Federal National Mortgage Association in Washington has limited smoking by its 1,000 employees to certain areas in the workplace, has put smoke-filtering machines on the desks of smokers and has removed the ashtrays from the conference rooms.

The American Federation of State, County and Municipal Employees reports that more and more nonsmokers are calling to inquire about their rights. "Smokers are getting very defensive, and nonsmokers are getting more militant," said the union's director of research, Linda Lamphorn.

When it is working with companies, Mr. Rosner's consulting firm

uses a report written by William Wells, one of the partners, which contends that smokers increase a company's costs by up to \$4,600 per employee annually, counting the expense of health and life insurance, absenteeism, cleaning and maintenance, and work time wasted by smoking.

The tobacco industry disputes

"The bottom line is that Pacific Northwest Bell decided it would be better to invest in helping people to quit rather than investing in setting up places for people to smoke."

the findings and has commissioned reports of its own that say smokers are not less productive on the job. Nevertheless, a study commissioned by the Tobacco Institute, a group supported by the industry, found that more than 30 percent of large corporations had adopted some type of smoking policy.

The survey, by the Human Resource Policy Corp., is based on responses to an eight-page questionnaire sent to the 1,000 largest service and industrial companies on Fortune magazine's list as well as the 100 companies reported as the fastest growing businesses in the country by Inc. magazine.

Of the 445 companies that responded, 32 percent had smoking policies that limited smoking on the job in some way, and 24 percent had considered but rejected a smoking policy. The report found that 3 percent banned smoking in work areas and 2.5 percent forbade it anywhere on company premises.

The study also said that 45 percent of the companies had instituted smoking policies for what it termed health and safety reasons, and 16 percent of the companies had been required by law to do so. Another 32.1 percent chose to insti-

tute a smoking policy for employee and business considerations.

Mr. Rosner said that some companies consider merely limiting smoking but abandon the plan when it becomes too expensive. One of his clients originally wanted to set up smoking lounges on every floor but eventually instituted a no-smoking policy for employees

counselor for a group called Action on Smoking and Health, John F. Banzhaf, said that nonsmoking workers who are irritated or made ill by cigarette smoke have been successful in suing for, and getting, a smoke-free area in which to work.

Estimates of the effect of cigarettes, pipes and cigars on people who do not smoke but are exposed to smoke range from 500 to 5,000 additional cases of cancer each year. The highest estimate comes from a study co-written this year by an Environmental Protection Agency epidemiologist.

The Tobacco Institute contends that studies asserting that passive smoking causes cancer are based on "questionable research."

At least eight states and more than 100 municipalities have laws that prohibit smoking in the workplace if any nonsmoker requests a smoke-free environment, according to Action on Smoking and Health.

San Francisco received extensive publicity for its ordinance supporting workers who requested a smoke-free office, put into effect in March 1984. According to Bruce

Tsutsui, the environmental health inspector who is in charge of enforcement, some of the approximately 150 complaints that have been filed have gone to court and enforcement activity takes about one day out of his week. "It's going very smoothly," he said.

Pressure is mounting against smoking even after the passing of smokers. Four of the 100 companies surveyed in the Tobacco Institute study reported that they did not have smokers at all.

However, 63 percent of the supervisors surveyed by Response Analysis Corp. in Fairfield, New Jersey, in another study commissioned by the institute, said it made no sense to refrain from hiring people simply because they smoked.

"As an employer, I don't deny myself a third of the available population," he said. "I don't think it's a form of discrimination or selective employment."

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Mickey Mouse Receives China's President

President Li Xiangnan of China pats Mickey Mouse on the nose in Disneyland in Anaheim, California. Later, in a speech to members of the Chinese-American community, Mr. Li said Sunday that Taiwan would retain most of its independence if it were reunited with the mainland under the principle of "one country, two systems." Mr. Li visited California at the end of a 10-day U.S. tour.

U.S. Experts Say Computer Program Used to Tally Votes Is Open to Fraud

By David Burnham
New York Times Service

WASHINGTON — The computer program that was used to count more than one-third of the votes cast in the U.S. presidential election last year is very vulnerable to manipulation and fraud, according to expert witnesses in court actions challenging local and congressional elections in three states.

The allegations that vote tallies calculated with the widely used computer system may have been secretly altered have raised concern among election officials and computer experts. That is because of the rapidly increasing use of such systems, the lack of federal or state standards that mandate specific safeguards, and the lack of computer skills among most local voting authorities.

"There is a massive potential for problems," said Gary L. Greenhalgh, director of the International Center on Election Law and Administration, a consulting group in Washington. He said computer-assisted voting systems "centralized the opportunity for fraud."

Mr. Greenhalgh said that while lever-type voting machines could have their counts rigged only machine by machine, vote-counting by computer was done at one central site in most counties.

With most computer systems, when a vote is cast, holes are punched in a thin cardboard ballot. The computer program then

"reads" the holes in the cards and totals them, presumably counting all votes and counting them only once each.

The vote-counting program that has been challenged in Indiana, Maryland and West Virginia was developed by Computer Election Systems of Berkeley, California.

In Indiana and West Virginia, the company has been accused of helping to rig elections. The computer program has also been challenged in Florida, but experts there have not been permitted to examine the program.

Civil lawsuits in West Virginia and Indiana, which the company and county election officials won in lower courts, are pending before federal appeals courts. In Maryland and Florida, the cases were brought in state courts and are still pending.

John H. Kemp, president of Computer Election Systems, denied in a telephone interview that the company was involved in fraudulent schemes. County officials involved in the cases have also categorically denied participation in fraud.

But Mr. Kemp also said that any computer system could be tampered with. "It is totally economically infeasible to have a fraud-proof system," he said.

Mr. Kemp said that while there were differences in the programs used by various jurisdictions, the company's fraud-prevention con-

trols had remained "essentially unchanged" in recent years.

In 1984, Computer Election Systems provided more than 1,000 county and local jurisdictions with equipment and computer programs that collected and counted 34.5 million of the 93.7 million votes cast for president, along with all votes for other offices and issues in those jurisdictions.

Although it dominates the computer voting market, the company has eight competitors, Mr. Kemp said. According to the Federal Election Commission, about 60 percent of American voters used some kind of computerized election system in 1984. No allegations have been made against the other companies.

Concern about weaknesses in preventing computer fraud led the National Bureau of Standards and the Federal Election Commission separately to recommend adopting a series of safeguards. But state and federal officials acknowledged that the recommendations, made in 1978 and 1981, have not resulted in significant improvements.

In three of the four legal challenges brought against Computer Election Systems, the losing candidates hired separate computer consultants who have said in court affidavits, testimony and interviews that their examination of the company's program showed it had been designed in such a way that vote totals could be altered without leaving any sign of tampering.

The allegations that the Computer Election system was open to manipulation were supported by experienced computer consultants who independently examined material obtained in the pending court cases for The New York Times.

One of the experts was Howard Jay Strauss, the associate director of the Princeton University Computer Center. He said the program used to count votes in Indiana was vulnerable to manipulation.

"Extra votes may be entered in the form of bogus ballots on punched cards, or vote totals may be altered through the use of control cards," Mr. Strauss said. "Either of these assaults on the system could be performed successfully by a computer novice."

Mr. Strauss added that someone with a "fair amount of computer knowledge" could turn off the portion of the program designed to document any changes made in either the program or the votes being counted.

Eric K. Clemmons, an associate professor of decision sciences at the Wharton School of the University of Pennsylvania, said that because of the excessive complexity of the program, "a doctored version of the code could be used to modify election results, and it would take weeks of study to determine what had happened."

U.S. Request to Restrict Computer Use Is Refused

The Associated Press

PRINCETON, New Jersey — Officials at a major computer complex under construction here have refused a State Department request to exclude some foreigners from using the \$125-million machine, the center's financial officer said.

Unless there is further action by Congress or President Ronald Reagan, Soviet and Chinese nationals will be permitted to use the federally funded Cyber 205 computer at the John Von Neumann Center for Scientific Computing, when it becomes operational early next year, Allen Sinigaglia said Sunday.

The computers, 100 times faster than current models, will be available to academic and commercial researchers regardless of nationality, Mr. Sinigaglia said.

Officials at each of four centers where the computers would be located have turned down the State Department request pending a ruling by Mr. Reagan or Congress on access to the machines.

"We would be good citizens, of course, and comply with whatever the law is," Mr. Sinigaglia said. The State Department does not

fear what users might get out of the computers since they would contain no restricted information, he said. Rather, the government fears that certain nations might gain an advantage simply by learning to use the powerful machines.

"There's a lot of national security sensitive-type things that can be done with a supercomputer," said Michael Marks, special assistant to Under Secretary of State William Schneider Jr. "We think the Soviets could gain certain insights by using these computers."

Mr. Sinigaglia said use of the new computers would be limited to scientists screened by several committees. Users will be given an access code for a specified time.

The National Science Foundation is funding the four U.S. computers. The machines also will be located at Cornell University in Ithaca, New York; the University of Illinois at Champaign-Urbana; and at a San Diego-based consortium headed by General Dynamics. The computer complex is backed by an association of 12 universities, including Princeton and Rutgers universities.

Mandy Lawther, IHT Executive, Dies at Age of 31

International Herald Tribune
PARIS — Mandy George Lawther, 31, an advertising executive for the International Herald Tribune, died of respiratory problems Sunday at her home here.

Mrs. Lawther, a native of Bournemouth, England, joined the IHT in the London office in 1979 and moved to Paris in 1981.

She was advertising sales manager of the newspaper's special reports. In this job, where she worked with both advertisers and journalists, she was known for her energy, care and invariable cheerfulness.

Funeral services for Mrs. Lawther, who is survived by her husband, James Lawther, will be held Friday in Bournemouth.

Coordinator of Papal Trips

The Associated Press

VATICAN CITY — Pope John Paul II has named the Reverend Roberto Tucci, head of the Vatican Radio, as the chief coordinator of papal visits abroad.

Pentagon Critic in Congress Is Denied Military Aircraft

The Associated Press

WASHINGTON — Representative John D. Dingell, a Democrat of Michigan who is a harsh critic of the Pentagon, will not get the customary military aircraft for a monthlong overseas trip, aides said.

The Department of Defense lobbying office wrote Mr. Dingell on July 12 that it was rejecting a travel request for members of the Energy and Commerce Committee headed by Mr. Dingell "due to heavy demand for military transportation during the recess period."

But Representative Dennis E. Eckart, Democrat of Ohio, who was scheduled to go on the 27-day trip to Europe, said he had been told that the Pentagon "pulled the plane" because "they weren't happy with the way Mr. Dingell was treating them."

Mr. Dingell, who said it was the first time in his 30 years in Congress that he has seen a committee chairman's travel request denied, said: "This is the first time I have

seen the stars in the heavens in this particular conjunction."

Last year, Mr. Dingell made public that General Dynamics, the nation's largest military contractor, had charged taxpayers for such executive benefits as country club dues and kennel fees for boarding dogs.

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Published With The New York Times and The Washington Post

The Budget News Is Bad

The news from France is very bad, said Churchill in June 1940. Is the same true for America's economy today?

The problem is not whether growth in the second quarter, or some such arbitrary period, was 3.1 or only 1.7 percent. Economies frequently have cyclical ups and downs, and weather them — partly automatically but sometimes with the help of moderate discretionary policy changes by the authorities.

The actual problem is far more fundamental. The American economy has been weakening because real interest rates have been high and the dollar far too high. All this is because the borrowing needs of business and government combined far outrun the savings of the public. When that happens, one of three things results:

- The Federal Reserve can print money to enable the commercial banks to absorb the part of the government deficit that exceeds America's savings — a hopelessly inflationary course that the Fed is not taking.

- Or competition for scarce savings can force interest rates up so high as to choke off corporate investment and consumer borrowing. The budget deficit can then be financed from genuine American savings, but at the cost of a recession. The budget crowds out more productive borrowing.

- But since America does not live in a closed economy, the path to disaster is slightly different. As interest rates rise, funds are attracted from abroad, bloating the dollar against other currencies and making American producers uncompetitive. So exports weaken and imports swell. The process compresses profits and scraps jobs in the industries exposed to foreign competition and in all the industries allied to them. It is because the budget deficit crowds foreign funds in that American jobs are at stake and passions for protection run high.

President Reagan's role to date in the battle to reduce the budget deficit is unconvincing. He started by reducing taxes, believing either that Congress would then have to reduce social expenditure or that lower taxes would work a supply-side miracle; but both beliefs were naive. His subsequent action has been inadequate, partly through bad judgment and partly through bad luck. Bad judgment made him too inflexible for too long on the near-term levels of military spending, Social Security benefits and taxes; and he distracted attention from the immediate acute budget problem by proposing fundamental reforms of the tax system. Bad luck intervened when the Beirut hostages distracted attention from the budget (lives are more important than jobs); and there was then the personal surgery that occasioned sympathy and further distraction.

There is crying need for political leadership to knock sense into Washington's warring factions. Public opinion on its own will certainly not do this; we are not yet at the stage where the populace, as envisaged by Lewis Carroll, demands less bread and more taxes. When France fell 45 years ago, there was de Gaulle to rally strength from chaos. The American economy will fare ill without stronger leadership now.

INTERNATIONAL HERALD TRIBUNE

A Short List of Culprits

The budget deficit has become a menace to the financial stability of America and most of the world. It happened over the past four years gradually, steadily and with plenty of advance warning. The signs of danger were clear. Yet every past attempt to reduce that deficit has fallen into political deadlock. Who is to blame? The answer is, many people, but a handful bear prime responsibility.

First of course is the president. He was the chief advocate of the great tax cut of 1981 — reckless legislation that Congress went along with and that has left the government far short of the revenue to pay for even the spending that the president himself supports. Mr. Reagan has abandoned any serious attempt to cut the budget further, but has also continued his adamant opposition to any tax increase. How does he deal with the implications of a continuing deficit of \$200 billion a year? He doesn't. He blames Congress.

But Mr. Reagan is not alone on the list. Donald T. Regan also has earned a place. As secretary of the Treasury in the administration's first term he had a primary responsibility for the ruinous 1981 tax cut. As White House chief of staff in the second term he has gathered the lines of power into his own hands and helped cut off the inconveniently independent views that the president used to get from the Council of Economic Advisors and the Office of Management and Budget. As long as President Reagan is against taxes, he is unlikely to hear any doubts or suggestions to the contrary from his chief of staff.

Secretary of Defense Caspar Weinberger also bears much of the blame. His single-minded pursuit of more defense money, well beyond any justifiable claims of the defense

buildup, derailed countless attempts at compromise and cooperation in reducing the deficit. The Democrats have their own sins to answer for, but it is very difficult for them to give ground on social programs when Mr. Weinberger successfully demands more for the Defense Department than it is able to spend. If the deficit results in the financial consequences now widely predicted, this administration in general and Secretary Weinberger in particular will be remembered as having left the national security weaker than they found it, despite those immense procurement contracts.

As for the House Democrats, Speaker Thomas P. O'Neill, Majority Leader James C. Wright and William H. Gray 3d, chairman of the Budget Committee, have all made substantial contributions to the impasse with, most recently, their insistence on the full cost of living increases for Social Security benefits. Like the military forces, so Social Security can only be damaged by the cumulative effects of uncontrolled deficits. Under the guidance of Mr. O'Neill and Mr. Gray, the Democrats' plans this session for reducing the deficit have contained too much fluff and padding to deserve to be taken seriously.

A group of Republican senators has now made a sensible proposal that could reduce the deficit by half over the next three years. It is the last chance for progress this summer, and very probably the last chance in the Reagan presidency. The chief impediments to success are the attitudes and habits of those listed above. If inertia and the deficit win again, the threat to the American economy will keep rising. No one needs to be in any doubt about what's happening, or who's responsible.

— THE WASHINGTON POST

Scientific Data Need Air

Many scientists are reluctant or unwilling to share the raw data on which their published articles are based, notes a committee of America's National Academy of Sciences. It recommends that sharing of data should be a "regular practice." The advice leans in the right direction. Sharing of data by researchers is a necessity, not merely a desirable goal.

Scientists are entitled to keep information to themselves until they publish their principal findings. But unless raw data are then made accessible, others may find it impossible to check the claims based thereon. And unverifiable claims do not belong in science.

Scientists are usually generous in sharing special materials or techniques, because everyone profits from the free interchange. But a colleague's request to see raw data can easily be taken as a challenge to diligence or veracity. Desire to protect data from criticism or predatory use often prevails over the scholar's duty.

In a case noted in the Academy's report, a researcher maintained that each execution in America prevented seven to eight murders, a claim cited by the Justice Department in asking the Supreme Court to restore the death penalty. Raw data were not immediately made available to other researchers; when they were, criticisms of the research were corroborated.

Experiments are easier to replicate in physics or biology than in social science, but that does not imply a lesser duty to make raw data available on request. Access to data is the only way to establish that it has been fully and fairly reported. Some data are acquired subject to confidentiality, trade secrets or military security, but most science is a process of free and open inquiry, intentionally kept free of such entanglements. A scientist who denies legitimate inquiries access to the data frustrates the validation process of science.

— THE NEW YORK TIMES

FROM OUR JULY 30 PAGES, 75 AND 50 YEARS AGO

1910: Why So Few British Babies?

LONDON — The falling birthrate was discussed at the British Medical Association Conference [on July 29]. "Tennyson's 'torment of babies,'" said Dr. J.W. Ballantyne, who opened the discussion, "has been reduced to a mere rivulet." The marriage tie is being attacked, and popular novelists find much of their popularity resting on the presentation of conjugal unions in which disunion is impending. "Parents argue that children are expensive," Dr. Ballantyne said. "They hardly seem to think of the future. Present-day civilization seems to have no room for the baby. The baby finds no place for itself in the apartment system." Other causes, he said, were late marriages, the higher education of women, the entry of women into economic competition with men, and even possibly athletics.

1935: U.S.-Soviet Protocol Is Tested

MOSCOW — Ambassador William C. Bullitt has been instructed by the State Department to follow the current session here of the seventh congress of the Komintern, with a view to detecting possible violations of the Soviet undertaking, at the time of American recognition of the Moscow government, to refrain from Communist propaganda in the United States. The question of propaganda might be considered to arise in connection with statements such as those made by Herr Pieck, in his report to the congress. Pieck urged the American Communist Party "to fight for the creation of a mass party of workers and peasants." The undertaking by the Soviet government for the cessation of Communist propaganda in the United States was one of the terms of recognition by the latter country in November 1933.

In Diplomacy, Even Lip Service Can Serve

By Flora Lewis

HELSINKI — The Final Act of the Conference on Security and Cooperation in Europe, signed in Helsinki at a 35-nation summit in 1975, was the high point of détente, which soon began collapsing. That helps explain why expectations and disappointments were too great.

It was a compromise. Neither side gave away anything it actually had; neither gained substance. It was not a treaty but a set of principles, negotiated by consensus. Every delegation had a veto, including Malta, which used it too much.

Inevitably there was cynicism. Still, the world has been the better for the accord and the added scope they give diplomacy in a time of tension.

Those who say the Russians came out ahead focus too narrowly on Moscow's long efforts to ratify World War II border changes. When it became obvious that partition of Germany made a peace treaty impossible, the Russians began to press for a European conference. Finally, Secretary of State Henry Kissinger decided there was nothing much to lose in mere words. He considered the conference a minor sweetener for the Russians in his plan to involve them in a network of obligations. The condition was parallel progress in the Vienna negotiations to reduce conventional forces on Europe's central front.

The European allies were not pleased, feeling that the United States had traded their interests too lightly in its search for a big power deal — a Soviet-American "condominium" was the early, angry French charge. Since he did not take the Helsinki process all that seriously, Mr. Kissinger agreed to let the Europeans lead the talks. U.S. policy was to keep a "low profile."

The Europeans hit on the idea that in exchange

for the political and security legitimization that the Soviet Union sought, there should be a large section on human rights. The link to Vienna was allowed to slip, and ultimately to snap. Those talks have marked time ever since.

But the ratification of borders was not absolute. It pledged only that they could not be changed by force, leaving open, at West German

The Helsinki Final Act cannot be held as a watershed, but neither was it a trap.

insistence, the possibility of negotiated change someday. That was hardly a Western concession.

As time proved, neither was Soviet endorsement of human rights more than lip service. But it gave as much international legitimacy to Western concerns on this score as it did to the Soviet-drawn map — and more, since these issues had traditionally been considered exclusively domestic affairs. The Russians might not heed Western arguments, but they could no longer say they had not accepted the Western right to make them.

The big losers were dissidents who seized on the promises and tried to call their own governments to account. Out of about 100 Soviet citizens who joined Helsinki watch groups, 79 have been arrested at least once, 49 are still imprisoned and only two were never bothered, accord-

ing to a Frankfurt-based rights organization. This is a devastating record, but it matters that a record is being kept and published. If the world had been paying such close attention to Stalin's days, not to speak of Hitler's, who knows how many lives might have been saved?

As it turned out, the main beneficiaries of Helsinki were the governments of Eastern Europe, especially those trying to wrangle room for national maneuver despite the Soviet embrace. It gave them a place of their own on the diplomatic team and made it easier to pursue their relations with Western Europe. The pain of the East-West division for Europeans was relaxed a bit.

The neutral countries and nonaligned Yugoslavia, threatened with being squeezed to insignificance between the two blocs, also found a new role for themselves in the Helsinki process.

On its 10th anniversary, Helsinki cannot be acclaimed as a watershed, but neither was it a trap. Successor conferences were among the few places where Soviet-American exchange continued, if only as a shouting match, in the years of broken contact. The United States and the Soviet Union are using the current meetings to prepare their November summit.

The real importance of Helsinki is not for the superpowers but for all the others who live in the shadow of giants, whether by force or by choice, as in the West. And perhaps it was useful to make clear that there is not going to be a sudden breakthrough to a free and peaceful world. Neither is breakdown inevitable. Demanding too much of diplomacy is counterproductive. Helsinki is much better than nothing.

The New York Times

The Mysterious Near East Could Be Less Mysterious

By Philip Geyelin

WASHINGTON — Not the least of the rewards of this business is that you do meet such lively, interesting people. Consider my new pen pal, Leon Perlsweig, whose letterhead associates him with "A Professional Law Corporation" on Wilshire Boulevard in Los Angeles. "One would have to be a jerkhead," he writes, to conclude that Israel's Shiite prisoners

were psychoanalyzed as victims of the "Stockholm syndrome."

It was not just OK but maybe even funny to make sport of the Shiite faith. "What you don't know you can't hurt," was apparently the rule for many. It was not a general rule, but the exceptions were enough in evidence to confirm that there is a double standard at work, to the

There is a double standard at work, to the detriment of a balanced public perception of the Middle East — and of a balanced U.S. policy.

were "hostages just as the innocent American travelers who have absolutely nothing at all to do with your bastardly Arab friends."

What strikes me as interesting about Mr. Perlsweig is not his disagreement (fair enough) and still less his redundancies with respect to my acuity ("defective brain . . . battered brain . . . birdbrain"). It was the nasty impulse, all too common in America's national discourse on the Arab-Israeli issue, to proceed from an arguable defense of Israel and its policies to a gratuitous, indiscriminate slur on "Arabs" — to speak of them collectively, to judge them by the egregious excesses of the few.

A positive pro-Israel prejudice is understandable when it is in favor of a secure Jewish state as a moral obligation to a people heavily in civilization's debt, a democracy with shared values, a friend. It is also natural enough for this attachment to translate into a tolerance of one or another Israeli government action or policy that works against proclaimed U.S. interests: the Lebanese invasion, the West Bank settlements, opposition to the Reagan "peace initiative," distrust of the current delicate efforts to build on Camp David's beginnings.

But those are issues that can theoretically be dealt with on merit and on principle. The problem becomes more difficult to deal with when a double standard is introduced — a mindlessly negative, anti-Arab prejudice that would not be tolerated if it were directed at Israelis or at Jews.

It is not so much a matter of a flaw in America's national character. It comes down to a matter of familiarity, of understanding, of stereotypes in cartoons, on television, on movie screens and in the written word. Scholars write of Arab "tribalism" and "unsettled nomadic" instincts. The suggestion is that "Arabs" are somehow incapable of statecraft or stable nationhood. They dress funny, carry guns. Anwar Sadat was an exception; Yasser Arafat is the rule.

Easily, Americans accept the Israeli definition of every hostile act against Israeli occupation forces as "terrorism" and every imprisoned Shiite or PLO-connected Palestinian as a "terrorist."

Americans excuse an Israeli government for its rejection of U.S. peace proposals, out of sympathy for its domestic political concerns. So Congress shrugs its approval of billions of dollars of unconditional economic and military aid. Jordan's King Hussein, by contrast, is sent to the back of the bus, despite all his hard efforts to promote the peace process at great personal and political risk, until he meets not only America's but also Israel's requirements as a negotiating partner.

The recent hostage crisis was illustrative. Allyn Conwell, the informal choice of those hostages as their spokesman, was unique among the hijacked plane's passengers for his firsthand familiarity with the Arab world, as a businessman based in Oman. For expressing his understanding of the Shiite side of the argument — as emphatically distinct from the hijackers' acts — Mr. Conwell was pilloried by commentators as prejudiced by where he makes his money.

The newsletter circulated by the American Israeli Public Affairs Committee suggested slyly that Mr. Conwell had "gone native," and cited approvingly his dismissal by columnist George Will as an "energetic collaborator." Consider the likely response to similar charges against an American doing business in Tel Aviv and proclaiming sympathy for Israel.

Others among the passengers who had anything to say about their captors or their treatment, or saw any symmetry between their plight and that of the Shiites in an Israeli prison,

detriment of a balanced public perception of the Middle East — and of a balanced U.S. policy.

At the first show of disfavor for this or that Israeli government policy, a cry of "anti-Semitism" goes up, and the insinuation of "anti-Semitism" is not far behind. Never mind that it is quite literally the wrong word; Arabs as well as Jews are "Semites" by ethnic origin and by definition. It is enough to note that for bigotry against Arabs there is no comparable rebuke.

Washington Post Writers Group

The Bomb Exists, So We Live With It

By Stephen S. Rosenfeld

WASHINGTON — John Hersey, whose report on Hiroshima is recalled by a whole generation, ends his update, "Hiroshima: The Aftermath" (New Yorker, July 15), with laconic reflections on one of the *hibakusha*, or "explosion-affected persons."

Kiyoshi Taniuchi "read in the papers that the United States and the Soviet Union were steadily climbing the steep steps of detente." Mr. Hersey writes. "He lived in a snug little house with a radio and two television sets, a washing machine, an electric oven and a refrigerator, and he had a compact Mazda automobile, manufactured in Hiroshima. . . . His memory, like the world's, was getting spotty."

One hesitates to deny a survivor his chosen consolations. But is the world in fact forgetting the horrors of the bomb, as Mr. Hersey's references to the seductions of national armaments and individual comforts suggest? Is it not just as conceivable that people have made a sensible and necessary decision to cope with difficult circumstances — to care for their defenses and, meanwhile, to get on with their lives?

There is a common view that people who are not caught up by a daily sense of the fragility of the nuclear peace and the paramountcy of disarmament — and, it sometimes follows, the madman potential of Ronald Reagan — are victims of a widespread, escapist and perhaps militaristic sensibility. "Psychic numbing," the phenomenon is sometimes called. Some people feel this way in flashes, if not in longer spells, and it brings them to a point of emotional quivering and restlessness in political controversy.

I have known some of those flashes, but something else troubles me more regularly. It is not so much the sharp premonition that we are all playing carefully on the brink of nuclear devastation as the uneasy feeling that in nuclear matters we do not have adequate control of our destiny. But it is more akin to the feeling I have about the narcotics problem, the budget deficit and other wild beasts that one somehow domesticates and makes part of one's life. How can mature people allow these things to happen?

How can someone who observes the arms buildup and the political tensions not feel that we are playing on the brink of nuclear disaster?

Along with the negatives, there are some positives. Over 40 years, the nuclear powers have shown a readiness to learn both the mechanics and the politics

of restraint in the actual handling of their weapons and their crises. Public opinion, good sense and self-interest have forced them to. That no further bombs have been dropped is no reason to relax, but it would be foolish to deny the instruction that comes from understanding of why they have not been.

These days, for instance, there is a new wave of attention in and out of the American government to the procedures and apparatus of nuclear command and control. The onset of more accurate warheads inevitably provoked new consideration of nuclear war-fighting strategies; keener attention then started flowing to the possible "nuclear winter" effects of applying these strategies. You do not have to be sanguine about the eventual results to see that public opinion and internal debate have worked to draw the American and Soviet governments, in their separate ways, into arms control talks.

The 40-year reviews of Hiroshima are themselves instructive. They have focused on the situations — this includes all situations since the two bombs dropped in wartime — when the use of nuclear weapons was considered more or less seriously but was ultimately rejected. In the last analysis, if not always the first, governments have been responsible. In the consensus view — which, granted, may or may not finally be guiding — the single accepted function of nuclear weapons remains deterrence.

Nor, in asking why the nuclear peace has held, can Hiroshima itself be ignored. The great purpose of dropping the bomb was, I believe, to win the war quickly and cheaply, and it accomplished that purpose, producing a Japanese surrender within days and saving the many American lives and the far greater number of Japanese lives that would have been lost in an invasion of the home islands.

But a great effect of dropping the bomb was to demonstrate nuclear power. The demonstration played into the calculations by which the powers have kept their rivalry on the safe side of direct confrontation for 40 years — in every instance except Cuba, by a large margin on the safe side.

This conclusion is rejected by those who feel that the bomb, posing a historically new threat to the life of the planet, was born in sin. But it seems to me the practical essence of living with the bomb.

The Washington Post

LETTERS TO THE EDITOR

Israel in No Hurry Now

Regarding "Prospects Are Bleak for Any Real Progress" (July 24):

Dominique Moisi has a point when he argues that prospects for an Arab-Israeli settlement are bleak. But I would add that at this juncture a settlement is not an Israeli priority, given Israel's strategic advantage.

We are entering what could be termed an "Israeli era," in which Israel perceives itself as fairly secure, and thus has no need for compromise. Its borders with Egypt are guaranteed by Camp David; those with Syria by international arrangements; those with Lebanon by a complex network of tacit arrangements.

Yet Israel faces increasing challenges at home and abroad. The future of the occupied territories depends on changing Israeli circumstances and American perceptions.

FADI KHALED AGHA, Ramatuelle, France.

Diplomacy Is a Craft

In response to "Galbraith Urges Political Appointees for Embassies" (July 15):

In urging political appointees for major embassies and throughout the State Department, Evan G. Galbraith, former U.S. ambassador to France, pursues his vendetta against the Foreign Service, which he regards as disloyal to president and country — i.e., to Republican conservatism.

Career morale already suffers from the system that selects and trains officials with care, encourages their expertise and promotes them with painful slowness over a lifetime, only to hand over the most challenging jobs to inexperienced beneficiaries of White House patronage.

More successful non-careerists — such as Mr. Galbraith's homonym, former Ambassador to India John Kenneth Galbraith — far from viewing the Foreign Service as a nest of vipers, have always been prompt to

honor those who have helped them to execute the policies of presidents from either party and, without partisan subservience, to defend the interests of the United States.

When Talleyrand praised his subordinates for intelligence and lack of zeal, he was not advocating laziness but condemning eager-beaverism of the sort that led Evan G. Galbraith to shatter so much crockery in France.

Public diplomacy is essential, but it has not lessened the value of the preferred diplomatic instruments of Jules Cambon, a prominent French diplomat of the early years of this century: two honest men speaking in confidence and with absolute trust in each other's discretion. A lifetime of can-do dynamism may bring success in a political appointee's first career, but too often it unfits him for the ticklish business of his second career.

JOHN BOVEY, Retired Foreign Service Officer, Paris.

Always After the Deed

Would-be historian Wayne Keyser ("American Topics," July 22) should be told that Robert Todd Lincoln was not at Ford's Theater when his father was shot in 1865. Nor was he present at the assassinations of Presidents Garfield and McKinley.

Abraham Lincoln's eldest son was in the White House, speaking with John Hay, until he was called to the house across the street from Ford's Theater where his father lay dying.

In 1881, now Garfield's secretary of war, Robert Lincoln went to the Washington railroad station to deliver a message, only to find that the president had just been shot there.

In 1901 he was invited to meet McKinley at the Pan-American Exposition at Buffalo. He arrived to find a group gathered around the fallen president, mortally wounded.

MORTON PUNER, St. Tropez, France.

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ARTS / LEISURE

Music Leader Fights Tape, Record Piracy

By Michael Zwerin

MONTEUX, Switzerland — M. Nesuhi Ertegun predicts: "If something isn't done about it, piracy and private copying are going to put us all out of business and in 10 years there will be no recorded music left to tape." He was between sets in the Montreux Jazz Festival.

"Pirates in Singapore refuse orders for less than a contained 180,000 cassettes. Forty percent of all cassette sales in Italy are pirates. In Turkey it's 95 percent. About 40 million pirate cassettes are imported by Saudi Arabia each year. In Indonesia, a country of 140 million people, pirating records is not illegal. And now consumers can buy two-tape machines which can copy cassettes at high speed."

The son of a Turkish diplomat, Ertegun grew up in Switzerland, Britain, France and the United States. Settling in New York in the 1930s, he and his brother Ahmet founded Atlantic Records. Nesuhi produced more than 200 jazz albums including "My Favorite Things" by John Coltrane, "Charles Mingus' 'Pithecanthropus Erectus,'" Ornette Coleman's "Change of the Century" and at least 20 records by the Modern Jazz Quartet.

When Warner Communications bought Atlantic, Ertegun became a vice president of that organization, and for 15 years has been chief operating officer of WEA, its international arm. Last year he became president of the International Federation of Phonographic Industries (IFPI), fighting what he calls "unauthorized duplication."

So he travels half the year speaking to lawyers, senators, managers, ministers and presidents, while reminding about "that world," the world of Mingus and Coltrane. The switch to the world of international finance was, "very hard for me at first."

Ertegun is a powerful man, one of the highest placed music lovers in the music business. He interrupted the interview to take a sports shirt with a "Comet" logo over the heart. He had been instrumental in Warner's decision to found that New York soccer team. "I ran the

club. I signed Pelé," he said, with the same proud smile he flashed later, saying, "We just signed Miles Davis. It's a good move for us. I'll be pleased to be working with him."

Fifteen years ago Warner's had minimal international distribution. Ertegun signed unknown or underexposed artists, hired smart local partners and executives and while Warner's Atari division was losing a billion dollars, Ertegun said, "Without wishing to sound immodest, WEA has passed most of its competitors. It is a profitable operation."

But most of his time now is involved with industry problems. For example, Japanese record stores rent records for home taping. "The IFPI lobbied for a law forbidding that, and one was finally passed. But it covered only Japanese product, imported records are still rented. Now we are lobbying against that."

Hong Kong was home port for pirates in the 1970s. When the federation lobbying succeeded there, they moved to Singapore. "Recently we got word that a container of cassettes was being shipped from Singapore to Nigeria. We alerted the Nigerian government and the shipment was intercepted. But for every one you seize, maybe 10 get through. The industry — record companies, publishers, artists — are losing billions of dollars a year because of these criminals."

A pirate makes mass unauthorized duplications of released records, without studio or royalty expenses. Pirate product sells at about one-third the price of the original. Third World officials tell Ertegun: "You're right. We're stealing. But if we have to pay the list price we can't afford to buy



Nesuhi Ertegun

your records anyway. It's a tough argument."

In developed countries the problem is home taping. Ertegun wants a surcharge on blank cassettes to help balance lost income. "I've been trying to convince artists to contribute a percentage of their royalties to help us fight for that. Their creations are being stolen. George Benson just announced that he would be the first to do it."

But some artists wonder how much of any surcharge would reach them, and how do you decide who gets how much? In his publication, "Jazzletter," Gene Lees writes: "Little kids with tape recorders worry me less than big companies with accountants. The laws of the marketplace should be allowed to operate, and the industry permitted to collapse. After its collapse, imaginative artists and entrepreneurs will build a new and far healthier music industry."

Meanwhile, Ertegun sighs after a strong set, by Jack DeJohnette: "I'm thinking of producing again, of starting my own label. Jazz records are viable if you control costs. I really love that music."

New York's Flatiron District Stands Tall

By Eleanor Blau

NEW YORK — When Peggy Tagliarino moved four years ago to the left on Fifth Avenue at 18th Street where she runs a public relations concern, the area was so deserted after dark that she would grasp a can of the chemical Mace in her pocket. Today she has abandoned the Mace, for the streets are alive, day and night, in the Flatiron district.

Once vaguely defined as "in between" Gramercy Park, Chelsea and Greenwich Village, the district is rapidly emerging with its own character. The Flatiron Building, the largest in the world when built in 1902, is the flagship structure, dramatically wedged between Broadway and Fifth Avenue at 23d Street.

At the turn of the century, when lower Broadway was known as Ladies' Mile, for instance, as well as fashionable shopping district. Today the area is being upgraded with remarkable ease, as strong real estate forces edge it back to its original elegance.

There are now many more apartments here than several years ago

— not only in loft conversions that were encouraged by city policy adopted about five years ago, but also in new apartment buildings.

Advertising agencies fleeing midtown rents have been flocking here. Geer, DuBois, an advertising pioneer of sorts when it moved in 1981 to Fifth Avenue near 16th Street, recently was joined by its 17th competitor in the area, Kenyon & Eckhardt. Publishers also are moving to the area, which was once a publishing center, about a dozen have made the change — including Viking Penguin Inc. and Charles Scribner's Sons — or are about to.

Clothing stores and other shops catering to office workers have sprung up, with such names as Royal Silk, Fine Design, City Life and Folkstone. And, it seems, many avoid ornate cast-iron pillars in cavernous spaces that once housed warehouse showrooms.

Joanna's was an early arrival. Now there are La Colonna and Cafe Seyokan, for instance, as well as America, where the conversations of more than 500 patrons merge in a deafening roar. Discotheques also abound: Limeight, the Peppermint Lounge, Dance-taria and Private Eyes.

"At night, this place is crazy," said Alan Eckstein, owner of the State Office Supply store at Fifth Avenue and 20th Street. Eckstein bought his store, then a few doors from its current location, 11 years ago. About a year later the big changes began: residents started in and businesses began to set up offices, many in the former sites of men's clothing manufacturers and related businesses, which had dominated the area for decades.

Robert Goodstein saw the wave of the future and became a landlord, renting space to various concerns at 11 West 19th Street. His family had had an overcoat business there from 1947 until the early 1970s, when competition from im-

ports and other problems forced it to close.

Arthur Levin, a partner in the three-year-old F Stop Cafe on West 19th Street, also grew up in the area when it was a menswear domain. "Every loft was full of manufacturing," recalled Levin, whose family owned a lighting fixture concern. "The streets were choked with trucks unloading, pretty much the way the garment district is today. At night, it was absolutely dead."

Then in the 1960s, the menswear trade began to disappear; some factories moved to the South, where labor was cheaper, and some showrooms moved uptown.

"Traffic began to go," Levin said. So did retail businesses that had served the industry. For a decade, he said, the area was "not very viable." But as menswear companies were leaving, photographers and some artists were starting to move in. As Levin put it, "Photographers in a sense rescued the area." Photo laboratories and other services then appeared.

Susan Richman, publicity director of Scribner's, cried when she heard the company was leaving its midtown offices last fall for 115d Fifth Avenue, near 19th Street.

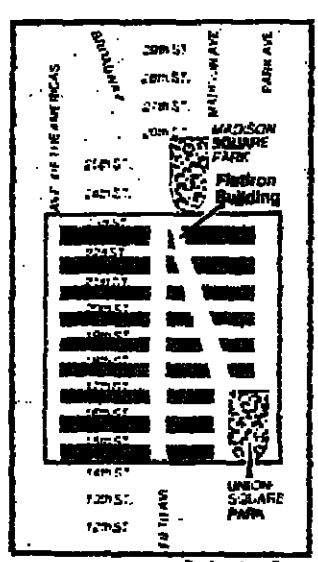
"Now I never want to be anywhere else," she said. "Here it's not crowded, even at lunchtime. You can have business lunches right in the area and you don't have to reserve a table a day in advance. Architecturally it's more interesting." And she runs into so many people in publishing on the streets, she said, that the atmosphere is "almost clubby."

But problems exist. Some businesses, photography studios among them, are being forced out, unable to afford the higher rents asked for lease renewals.

Owners can get \$8 to \$25 a square foot for modernized space offered as offices. Those rates are about half of midtown commercial rents, but well above what longtime businesses in the Flatiron district are accustomed to. Seven years ago, Moe Ginsburg paid only \$1.80 a square foot to rent the site of his retail menswear business at Fifth Avenue and 21st Street.

Nancy Schreiber, who is in the film business, is among the few who displace changes in the Flatiron district, where she has lived for a decade. "I liked the fact that nobody lived there," she said.

Levin of the F Stop Cafe said the



Manhattan's Flatiron area.

changes for the most part had not destroyed anything. "This area was dead," he said. He added that its unusual mix of office and residential space may account for fewer of the touches that he finds pretentious in SoHo and on Columbus Avenue. "Fifth Avenue still has its liquor stores and cigar stands," he said. "It may be one of the more livable gentrifications."

Chinese Newspaper Praises 'Superman'

The Associated Press

BEIJING — The Workers' Daily newspaper praised the 1978 Hollywood film "Superman" and announced that it would soon be shown to Chinese audiences.

"It is clear from viewing this film that 'Superman' is a brave hero of incomparable strength who clearly distinguishes what is love and hate and calls strength from weakness," the paper said Sunday. "He is the embodiment of might and justice, and reflects the American people's desire for kindness and beauty. For this reason it has been welcomed."

Meanwhile, Ertegun sighs after a strong set, by Jack DeJohnette: "I'm thinking of producing again, of starting my own label. Jazz records are viable if you control costs. I really love that music."

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Prices Fall on N.Y. Exchange

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange were sharply lower at mid-afternoon with technology issues sagging and interest-sensitive stocks under pressure from profit-taking for a second week.

Although prices in tables on these pages are from the 4 P.M. close in New York, for time reasons, this article is based on the market at 3 P.M.

The Dow Jones industrial average was off 13 points to 1,344. Declined led advances by a 4-1 margin on volume of 70.7 million shares. Phillips Petroleum (ex-dividend) led the actives, off 1/4 to 13. IBM was off 1/4 to 130 1/4 and Digital Equipment was off 3/4 to 101 1/4. Texas Instruments, which reported a \$3.9-million second quarter loss on Friday, was off 2 1/4 to 103 1/4.

Analysts said the market was "skittish" and "worried." Philadelphia Electric Co. was off 1/4 to 15 1/4. Southern Co. was down 1/4 to 21 1/4. Middle South Utilities was off 1/4 to 14. Pacific Gas & Electric was off 1/4 to 18 1/4 and Boston Edison was off 1/4.

National Semiconductor was up 1/4 to 13 1/4 in active trading.

Telephone issues were mixed. AT&T was unchanged at 21 1/4 but Nymex was off 1/4 to 83 1/4 and U.S. West was off 1/4 to 76 1/4.

U.S. Steel was up 1/4 to 29 1/4, Campbell Soup was down 1/4 to 73 1/4, Pillsbury was off 1/4 to 49 1/4. General Foods was off 1/4 to 76 1/4.

In other blue-chip stocks, General Motors was off 1/4 to 70 1/4.

West German Sales Seen Up 1%

Reuters

MUNICH — West German retail sales are expected to rise just under a real 1 percent — that is, after discounting for inflation — this year after increasing only 0.1 percent last year, the IFO economic research institute said Monday.

IFO said its most recent survey of retailers showed that they expected their investment spending this year to stagnate in nominal terms and fall 1.6 percent in real terms despite the anticipated rise in sales.

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It said consumer spending should rise by a real 1.5 percent after a marginal 0.6 percent increase last year. But it said that most of the increase in spending will be for tourism and services rather than consumer goods.

IFO said its most recent survey of retailers showed that they expected their investment spending this year to stagnate in nominal terms and fall 1.6 percent in real terms despite the anticipated rise in sales.

12 Month High Low Stock Chg. Yld. PE Ratio High Low Last Chg. Chg. Chg.	12 Month High Low Stock Chg. Yld. PE Ratio High Low Last Chg. Chg. Chg.	12 Month High Low Stock Chg. Yld. PE Ratio High Low Last Chg. Chg. Chg.
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TUESDAY, JULY 30, 1985

FUTURES AND OPTIONS

Foreign-Currency Bulls Feed Off a Weaker Dollar

By H.J.M. MAIDENBERG
New York Times Service

NEW YORK — Foreign-currency futures bulls continued to forage through the market last week, feeding on the continued weakness in the dollar. They enjoyed their best meal late Friday, when they buying forced those who had sold short earlier in the day to pay dearly to buy back contracts.

Brokers explained that, although most foreign currency traders were bullish, many thought it prudent to cover their positions for the weekend by selling equivalent numbers of futures short. There had been rumors all day concerning possible devaluations of the French and Belgian francs and an upward revaluation of the West German mark.

In any case, the spot, or nearest, futures contracts in all major foreign currencies, the September, posted strong gains on the week. The British pound, for example, soared 2.65 cents to \$1.4125; the mark, 0.68 cent, to 35.47 cents; and the Swiss franc, 1.13 cents, to 43.52 cents. And last Friday, it took about 238 yen to buy a dollar, or five yen fewer than the previous week.

PERHAPS the best gains were made by the "cross-rate spreaders," so termed because they play one foreign currency against another, rather than against the dollar. Of these spreads, the biggest gains in recent weeks were made by those who had bought the Swiss franc and sold the West German mark short. A foreign-exchange futures spread involves the simultaneous purchase and sale of contracts in two currencies.

"There are several good reasons for using the Swiss franc-mark cross-rate spread," said Donald M. Selkin, senior futures analyst at Prudential-Bache Securities. "One is that the Swiss franc is not as liquid as most other major currencies because there just aren't that many around." The moves in the Swiss franc tend to be exaggerated, he noted. Last week, the strong rise in the Swiss franc reflected demand from holders of the Italian lira, which was officially devalued by roughly 6 percent the previous weekend, as well as by holders of French and Belgian francs who thought those currencies would also be devalued.

By comparison, the West German mark, which has become a surrogate for the dollar among European and other foreign-exchange traders, is a much more liquid currency and is thus less volatile.

Given this situation, Mr. Selkin observed that, when the dollar's value peaked late last February, the Swiss franc's premium over the mark was about 500 points, or 5 cents. A month ago, the spread had widened to 600 points and, based on last Friday's closing spot September futures, it was 803 points.

"This recent cross-rate spreader who had bought the Swiss franc and sold the mark about the time the dollar peaked in February did quite well," Mr. Selkin continued. "Because both the Swiss franc and mark futures represent 125,000 currency units, each 1 cent move equals \$1,250 per contract."

Leaving aside transaction costs, those who put on a Swiss franc-mark spread around March 1, when the Swiss franc's premium over the mark was 5 cents, had, as of last Friday's close, a paper profit of just over 3 cents, or \$3,750 a spread, Prudential's senior futures analyst said.

The leverage profit is even more impressive because the initial cash margin for a spread is roughly half that for a "straight" purchase or sale. Most brokers require an initial cash margin of about \$3,500 for a straight foreign-currency position.

As for the extraordinary strength of the British pound, which went from a record low of \$1.02 when the dollar peaked four months ago to \$1.4125 at last Friday's close, currency traders continued to cite the recent decline in real domestic interest rates.

Last Friday, for example, the real return on 90-day Treasury bills was about 3.2 percent, while that on comparable British short-term instruments was slightly more than 6 percent. Real rates of return on any investment are determined by subtracting the annual inflation rate from the yield. Currently, 90-day Treasury bills yield 13.25 percent.

Currency Rates

Cross Rates	July 29
American dollar	100.00
British pound	141.25
French franc	6.55
German mark	35.47
Italian lira	2,366.00
Japanese yen	238.00
Netherlands guilder	2.20
Spanish peseta	166.64
Swiss franc	43.52
West German mark	35.47
Yen	238.00
Zimbabwe dollar	100.00
Other Dollar Values	July 29
Australian dollar	1.48
Canadian dollar	1.00
Hong Kong dollar	7.80
Indian rupee	166.64
Israeli sheqel	1.80
Kenyan shilling	100.00
Malaysian ringgit	2.20
New Zealand dollar	1.48
Pakistani rupee	166.64
Singapore dollar	1.00
Taiwan dollar	20.00
Thai baht	20.00
Yemen rial	100.00
Zimbabwe dollar	100.00

Interest Rates

Currency Deposits

July 29

	Dollar	D-Mark	Swiss Franc	Shortline	French Franc	SCU	SDR
1 month	4 1/4 %	4 1/4 %	4 1/4 %	11 1/2 %	11 1/2 %	8 1/2 %	7 1/2 %
3 months	5 1/4 %	5 1/4 %	5 1/4 %	13 1/2 %	13 1/2 %	9 1/2 %	8 1/2 %
6 months	6 1/4 %	6 1/4 %	6 1/4 %	15 1/2 %	15 1/2 %	10 1/2 %	9 1/2 %
1 year	7 1/4 %	7 1/4 %	7 1/4 %	17 1/2 %	17 1/2 %	11 1/2 %	10 1/2 %

Sources: Money Quarterly (Dallas, DM, SF, Pound, FF), Lloyds Bank (SCU); Reuters (SDR). Rates applicable to 100,000 francs or \$1 million minimums (or equivalent).

Key Money Rates July 29

United States	Cost	Prev.
Discount Rate	7 1/2 %	7 1/2 %
Federal Funds	8 1/2 %	8 1/2 %
Prime Rate	9 1/2 %	9 1/2 %
Banker Loan Rate	10 1/2 %	10 1/2 %
Call Money 16-17 1/2 days	7 1/2 %	7 1/2 %
3-month Treasury Bill	7 1/2 %	7 1/2 %
6-month Treasury Bill	7 1/2 %	7 1/2 %
CDs 16-27 days	7 1/2 %	7 1/2 %
CDs 60-90 days	7 1/2 %	7 1/2 %

Asian Dollar Deposits

July 29

1 month	7 1/2 %
3 months	7 1/2 %
6 months	8 1/2 %
1 year	9 1/2 %

Sources: Reuters.

West Germany

1-month	6.00	4.80
Overnight Rate	4.00	4.80
3-month Interbank	5.15	5.20
6-month Interbank	5.15	5.20
1-year Interbank	5.20	5.20

France

Interbank Rate	7 1/2 %	9 1/2 %
Call money	7 1/2 %	9 1/2 %
60-day Interbank	9 1/2 %	9 1/2 %
3-month Interbank	9 1/2 %	9 1/2 %
6-month Interbank	9 1/2 %	9 1/2 %

U.S. Money Market Funds

July 29

Merrill Lynch Money Assets	
30 day average yield:	4.58
Three-month interest Rate Index:	7.800

Sources: Merrill Lynch, AP

Gold

Gold

Gold	July 29
1 ounce	320.00
2 ounces	640.00
3 ounces	960.00
4 ounces	1,280.00
5 ounces	1,600.00
6 ounces	1,920.00
7 ounces	2,240.00
8 ounces	2,560.00
9 ounces	2,880.00
10 ounces	3,200.00
11 ounces	3,520.00
12 ounces	3,840.00
13 ounces	4,160.00
14 ounces	4,480.00
15 ounces	4,800.00
16 ounces	5,120.00
17 ounces	5,440.00
18 ounces	5,760.00
19 ounces	6,080.00
20 ounces	6,400.00

U.S. Cuts Forecast For GNP

Sees 3% Growth For All of 1985

The Associated Press

WASHINGTON — The Reagan administration on Monday officially lowered its prediction for U.S. economic growth this year but continued to insist the economy would rebound sharply from its sluggish performance of the first six months of 1985.

In a statement by Beryl W. Sprinkel, chairman of the Council of Economic Advisors, the administration dropped its April estimate of 3.9 percent growth for the year and acknowledged that the gross national product now is expected to climb only 3.0 percent.

The rate of inflation, which was expected to be 4.2 percent for the year, has been trimmed to an even milder 4.0 percent in the revised figures.

The trimming of the administration's optimistic projection for the growth of the gross national product had been expected following a growth rate of only 1.7 percent in the second quarter of this year. But some outside economic experts said that even the new prediction is unrealistically rosy.

For the first six months of 1985, the gross national product grew at an annual rate of just 1 percent as manufacturing in the United States was being battered anew by foreign competition, resulting in a drop in sales both at home and abroad.

But in order to achieve even the reduced 3 percent growth now predicted for 1985 as a whole, the American economy will have to accelerate in the second half of the year at an annual rate of 5 percent — five times the pace of the first six months.

Few analysts are predicting such a sharp turnaround. Most of them are forecasting a rebound in growth of around 3 percent in the second half of the year.

"The administration has moved in the right direction, but they haven't quite found the courage to say that we are going to stay in a growth recession for the whole year," Roger Brunner, economist at Data Resources Inc., a private forecasting firm, remarked when he was told of the revised figures last week.

In Mr. Sprinkel's statement, which was read at the White House by Larry Speakes, spokesman for President Ronald Reagan, the administration also projected a steady decline in the civilian unemployment rate, which has been stagnant in recent months, hovering around its current level of 7.3 percent.

Mr. Sprinkel's long-range forecast of continued healthy growth for the U.S. economy was not altered by today's revisions.

Texaco Net Rose by 1% In 2d Quarter

United Press International

WHITE PLAINS, N.Y. — Texaco Inc. reported on Monday an increase in earnings of 1 percent in the second quarter, while revenues slipped from levels of the like period of 1984.

Net income rose to \$305 million, or \$1.28 a share, from \$302 million, or \$1.22 a share, in the same quarter of 1984. Revenues fell to \$11.7 billion from \$12 billion in the year-ago quarter.

For the first six months of the year, net income increased to \$625 million, or \$2.56 a share, from \$623 million, or \$2.47 a share, in the first half of 1984, the company said. Revenues for the half totaled \$23.7 billion, even with revenues of the year-earlier period.

While the quarter's results were only slightly better than the comparable 1984 period, "worldwide operating results reflected a noticeable improvement compared with the first quarter," the company reported.

"Worldwide downstream operations reflected significantly improved refining and marketing operating margins in the second quarter, particularly in the United States due to reduced crude oil and product acquisition costs as well as higher gasoline prices."

The company also noted that an imbalance in petroleum supply and demand has "continued to exert downward pressure on spot market crude oil prices and ultimately upon product prices."

Gold

Gold	July 29
1 ounce	320.00
2 ounces	640.00
3 ounces	960.00
4 ounces	1,280.00
5 ounces	1,600.00
6 ounces	1,920.00
7 ounces	2,240.00
8 ounces	2,560.00
9 ounces	2,880.00
10 ounces	3,200.00
11 ounces	3,520.00
12 ounces	3,840.00
13 ounces	4,160.00
14 ounces	4,480.00
15 ounces	4,800.00
16 ounces	5,120.00
17 ounces	5,440.00
18 ounces	5,760.00
19 ounces	6,080.00
20 ounces	6,400.00



Two tiers of Anne Klein fashions displayed at Lord & Taylor in Manhattan: Anne Klein II, left, the cheaper line, and the higher-priced designer section, with better materials.

Designers Turn Out Cheaper Lines

Wrinkles in Policy of Fashion Houses Are Ironed Out

By Pamela G. Hollie
New York Times Service

NEW YORK — As Douglas and Jeanne Johns of Baltimore wandered through the Anne Klein II section on the third floor of Lord & Taylor in New York, a black-and-tan blazer displayed above the racks caught their attention. The price tag said \$248. "Not bad," Mr. Johns said to his wife.

In the Anne Klein designer section a short distance away, however, they spotted another jacket of similar design, but in silk rather than wool. There was another difference, too: the \$600 price tag. Moreover, to purchase the rest of the designer ensemble, a skirt and blouse complementing the jacket's subtle shading, added more to the cost. "It would take \$2,000 to look right in the jacket," said Mrs. Johns.

When lower-priced designer lines were introduced a few years ago, designers hoped that people such as the Johnses would be won over to the idea. While retailers were enthusiastic, business got off

to slow start as designer houses grappled with the problems involved in catering to the broader market. Only now, after several disappointing seasons, are the wrinkles finally being ironed out of many of the offshoot lines.

"We have not been completely successful with what we wanted to do," admitted Didier Grunbach, chief executive officer of Yves Saint Laurent Inc. "Our first attempt was too basic." This year, Saint Laurent's second-tier line, Variation, is younger-looking to answer criticism that its previous designs were too outdated and its prices too high to attract working women. The items cost about 30 percent less than Rive Gauche, the top-of-the-line collection.

The payoff for designers who succeed is clear. Ralph Lauren, one of the first to try this approach with the addition of a Classifications line of apparel, has pushed annual sales to \$100 million, from \$50 million in 1980.

(Continued on Page 13, Col. 5)

Japan Bank Introduces Low-Rate Import Loans

Reuters

TOKYO — Japan's Export-Import Bank said Monday that it has introduced low-interest-rate loans to encourage imports of foreign manufactured products.

The loans, which can be denominated in either yen or dollars, are meant to be used for imports of 11 specific categories such as telecommunications equipment, electronic appliances and medical equipment, officials said.

Effective immediately, the special yen loans will carry an annual interest rate of 6.5 percent compared with the long-term prime lending rate of 7.2 percent at private banks, the officials said.

Dollar loans, to be made available from the government's special foreign-exchange account, will bear a floating interest rate at 1/4 point above the six-month U.S. Treasury bill rate.

The loans, which will have maturities of one year to less than five

years, will be granted to encourage imports of specified manufactured goods of special interest to Japan's major trading partners, such as the United States and the European Community.

The preferential-loan program, part of the government's trade action plan due to be announced Tuesday, will be valid until March 1987.

The government plans to announce Tuesday the details of steps designed to boost the share of foreign products in Japan's market and help redress Japan's \$45-billion trade surplus last year.

The bank said the 11 preferred categories include medical/pharmaceutical products, power generating equipment, specialized machinery for particular industries, metalworking machinery, general industrial equipment, office machines, telecommunications apparatus, electrical machinery, road vehicles, other transport equip-

ment, and optical goods for professional and scientific use.

Separately, a government survey released Monday indicated that about 66 percent of Japanese consumers are "worried" about a possible influx of foreign products and services because of Japan's market-opening trade "action program."

The survey also found that 21.6 percent of respondents said they were not "specifically worried" about the effects of more overseas products entering Japan's market, the report said.

The figures were derived from a random survey of 2,365 people nationwide conducted by the Prime Minister's Office in February.

The survey said 60.3 percent expect some benefits from an increase of imported goods, while 32.2 percent said they anticipated no particular benefits and 7.5 percent said they were uncertain.

Some respondents feared that trade liberalization would hurt do-

mestic industry and lead to sales of products that may be unsafe and insufficiently serviced. They also said that language difficulties could make goods and services from overseas unattractive purchases.

Asked about possible benefits, 20.2 percent said the cost of Japanese goods and services would fall because of foreign competition, 19.7 percent said consumer choice would widen, and 10.7 percent said foreign goods and services would be cheaper than those from Japan.

But several other leading economists said Monday's rate cut was justified by the strength of the pound and progress in slowing inflation. The government's encouragement of lower rates does not threaten "the primacy of its anti-inflationary stance," said Keith Skeoch, chief economist at James Capel & Co.

David Kern, chief economist at National Westminster Bank PLC, said there was no sign that the government was pushing rates down too quickly. He said he was maintaining his forecast that base rates would fall to 10 or 10.5 percent by year-end.

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Inman Runs Taut Ship at Research Consortium

But Transfer of Technology to Member Firms May Mean Rough Seas Ahead

By Michael Schrage
Washington Post Service

AUSTIN, Texas — With the skill and savvy that once made him Washington's consummate high-tech man, retired Admiral Bobby Ray Inman has turned his talents from the classified to the proprietary.

The man who managed the most sophisticated national security technologies in the United States — he ran the National Security Agency from 1977 to 1981 and served as deputy director of the CIA — has found smooth sailing in the private sector.

Mr. Inman is chairman and chief executive officer of the Microelectronics & Computer Technology Corp., research consortium, or MCC, which presents itself as the American computer industry's response to Japan's highly publicized "Fifth Generation" computer challenge for global supremacy in the information-processing industry.

The creation of William C. Norwood, chairman of Control Data Corp., in 1982, MCC was seen as a new cooperative venture by American companies to achieve breakthroughs in areas of basic research crucial to the evolution of information technology. The idea was that member companies would finance the venture, underwrite its research programs and lend it some of their best scientists and engineers.

In many respects, MCC is the forerunner of what may prove to be the next generation of industry research and development — a cooperative of companies that share first-level efforts that later will become proprietary products. MCC

has about 300 employees and an annual budget approaching \$100 million but has not disclosed what is being spent on specific programs.

Mr. Inman retired from public service in July 1982 and joined MCC in January 1983. He surprised and annoyed many of the members of his board by rejecting many of the researchers initially offered by the member companies as not good enough.

Although MCC's seven research programs — which range from semiconductor packaging to computer architectures to parallel processing — were supposed to be run by scientists from MCC member companies, six of the seven are independent scientists recruited by Mr. Inman. Clearly, Mr. Inman has not lost his Washington-honed touch for assuring a comfortable level of autonomy.

MCC's member companies and Mr. Inman all concede that the real test of the consortium is just now beginning. Will MCC's research and development efforts ultimately translate into innovative products and services?

"My primary worry is technology transfer," said Mr. Inman. "I can't guarantee that all these companies will use these technologies."

Even in the fast-paced high-technology industry, effecting a smooth transfer from basic research to prototype to production model has proven to be one of the thorniest problems facing American companies. Academic commentators on industry from Robert Reich to Ezra Vogel all comment that Japanese industry's skills at quickly

bringing innovations to market give it a competitive edge.

Mr. Inman concedes that MCC can succeed brilliantly as a research and development organization but ultimately fail in its mission if member companies prove to be unwilling or unable to accommodate themselves to the flow of technologies that emerge from the consortium.

Mr. Inman says the consortium "could be viable with 14 or 15 members," but he hastens to add that he doesn't expect more than two or three of the 21 companies to drop out over the near term.

Actually, Mr. Inman seems more intent on attracting and keeping key researchers than mollifying shareholders. "I've tried to give them the feeling that they're the members of a club — an exclusive group, an elite group," Mr. Inman said.

The Austin location has not proven detrimental in attracting researchers from California or Ivy League cities, and Mr. Inman's cleverly has secured a diversity of shareholders ranging from Boeing Co. to Eastman Kodak Co. to Minnesota Mining & Manufacturing Co. to assure that researchers have a broad market of companies for their innovations.

A random sampling of researchers affiliated with MCC reveals that they are happy with their working environment, adequately compensated and optimistic about the prospects for the application of their research.

"I think Mr. Inman has set the right tone for this place," said Doug Lenat, an artificial-intelli-

gence researcher who came from Stanford University and the Xerox Palo Alto Research Center.

However, the tone also includes an overwhelming concern for the proprietary nature of the research. Elevators are equipped with special locking devices that prevent individuals without the appropriate card keys from having access to certain floors at the Austin complex of black glass buildings. Indeed, the seven programs are carefully partitioned so that companies not funding certain programs are expressly prohibited from receiving information from them. Researchers traditionally have been open about their findings, but not at MCC.

Indeed, Mr. Inman declines to publicly disclose the research milestones of MCC, arguing that, as a private enterprise, the organization is under no obligation to do so. Consequently, though, there is no real external way of measuring how well MCC's disparate research programs are doing.

Samuel H. Fuller, an MCC board member and the Digital Equipment Corp.'s vice president for research and architecture, insists that "it's at least as ambitious as Japan's Fifth Generation" goals and that the 10-year research program is "right on schedule."

It may well be that MCC — as a consortium — helps define the new level of proprietary emphasis as companies increasingly rely on secrecy as well as innovation to protect a technical edge in the marketplace. Mr. Inman sees secrecy as a part of the reality of intensifying global competition.



Bobby Ray Inman

The current membership is Advanced Micro Devices Inc., Allied Corp., BMC Industries Corp., Bell Communications Research (Bellcor), Boeing, Control Data, Digital Equipment, Eastman Kodak, Gould Inc., Harris Corp., Honeywell Inc., Lockheed Corp., Martin Marietta Corp., National Semiconductor Corp., RCA Corp., 3M, United Technologies Corp., Motorola Inc., NCR Corp., Rockwell International Corp. and Sperry Corp. Reportedly, General Motors Corp. flush with its acquisitions of Electronic Data Systems Corp. and Hughes Aircraft Co., also is exploring an MCC membership.

Japan Exports More Vehicles

TOKYO — Japanese vehicle exports in the first half of this year rose 8.3 percent over the like period of 1984 to 3,269,315 units, the Japan Automobile Manufacturers Association said Monday.

CURRENCY MARKETS

Dollar Lower; Pound Up Despite Rate Cut

LONDON — The dollar moved still lower against major currencies Monday in moderately active trading. In Frankfurt, the U.S. currency was fixed at 2.8304 against the Deutsche mark, down more than 4 pfennigs from 2.8792 on Friday.

The British pound, meanwhile, shrugged off a half-point cut in the base lending rate — to 11.5 percent from 12 — to move higher against most major currencies. It finished at \$1.4285, up from \$1.4240 at the opening and more than two cents higher than Friday's close of \$1.4075.

Dealers said the cut in the base rate, the rate from which all other British lending rates are scaled up-

ward, came as the dollar was falling, helping the pound absorb the drop.

But the pound remained equally steady against European currencies, with the Bank of England's trade-weighted index closing at 84.7, up two basis points from the opening and five from Friday's close, to its highest level since September 1983.

Against the Deutsche mark, sterling closed at 4.0305, up slightly from its opening 4.0245 and Friday's close of 4.0340.

"A half-point cut isn't enough to worry anyone," one dealer said, pointing out that U.K. rates were still high compared with most other major economies.

With bearish dollar sentiment in-

tensifying because of the impasse in budget talks in Washington, dealers said they expect the dollar to test the 2.80-mark support level this week.

Dealers said the undertone also remained weak because of expectations that trade and employment data due this week will paint another gloomy picture of the U.S. economy.

In other European trading Monday, the dollar fell to 2.2980 Swiss francs from 2.3490 Friday; to 8.620 French francs from 8.7585, to 1,895.65 Italian lire from 1,921.51, and to 3.1875 Dutch guilders from 3.2365.

In Tokyo, the dollar fell to 237.50 yen from 238.95 Friday.

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INTERNATIONAL FUNDS
Quotations Supplied by Funds Listed
29 July 1985

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose quotes are based on issue prices. The following marginal symbols indicate frequency of quotations supplied for the FUND: (d) — daily; (w) — weekly; (b) — bi-monthly; (q) — quarterly; (a) — annually.

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THE EUROMARKETS

Many Dealers Await U.S. Refunding Report

LONDON — The Eurobond market ended lower Monday, with the dollar-straight and floating-rate-note sectors hovering around the 10% mark, the sole lead manager, S.G. Warburg & Co., said.

The issue is callable after five years at par. The minimum coupon is 5 percent, while fees total 36 basis points, comprised of a 20-basis-point selling concession and combined management and underwriting fees of 16 basis points. A basis point is a hundredth of 1 percent.

The notes are available in denominations of \$5,000 and \$50,000 and will be listed in London. The pay date is Aug. 14.

Hawwa Co. of Japan, issued \$50 million of 10%-percent Eurobonds due July 17, 1991 and priced at

101%, the lead manager, Banque Paribas Capital Markets, said. The noncallable issue is guaranteed by Dai-ichi Kangyo Bank.

Fees total 1 1/2 percent, with a 1 1/2-percent selling concession and combined management and underwriting fees of 1/2 percent.

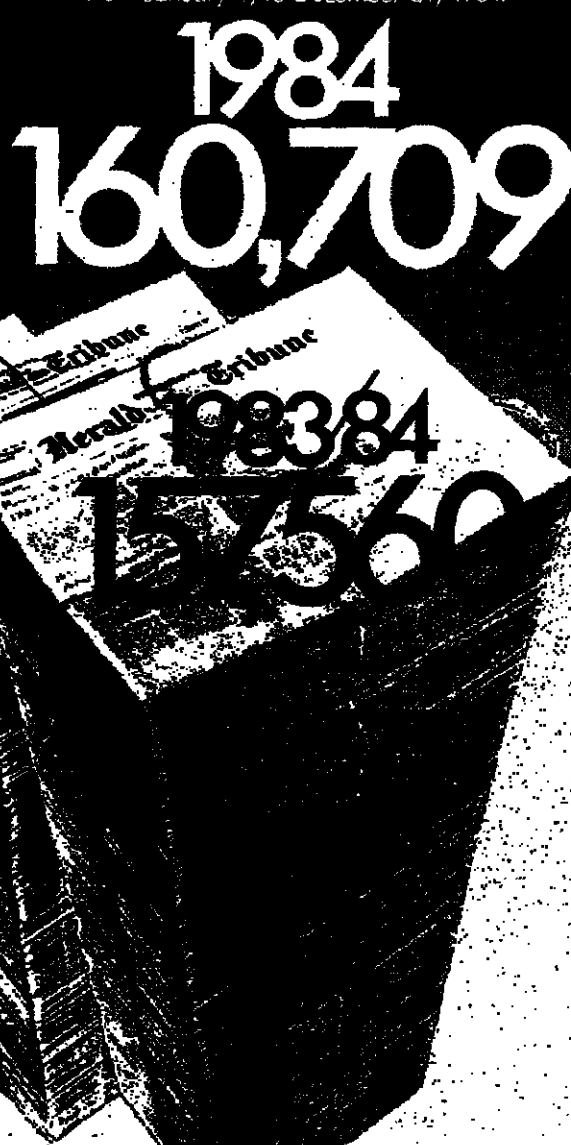
The bonds are available in denominations of \$10,000 and will be listed in Luxembourg. The pay date is Sept. 1.

Security Pacific Australia Ltd. was expected to launch shortly a 100-million-Eurobond-currency-unit, 8 3/4-percent Eurobond issue due July 1990 and priced at 100%, bond market sources said.

The noncallable issue is to be guaranteed by Security Pacific Corp.

The International Herald Tribune's daily paid circulation continues to break records, up 5% in the past year and 24% in the past four years. More than a third of a million people in 164 countries around the world now see each issue. And latest figures indicate that this rapid growth continues.

International Herald Tribune circulation figure prepared for OJD audit for period from January 1, to December 31, 1984.



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12 Month		3 Month		1 Month		5 Day		1 Day	
Stock	Price	Price	Change	Price	Change	Price	Change	Price	Change
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When you make a mistake, you don't have to make a great fuss.

At today's market prices for Boeing stock, you will gain a substantial financial advantage if you choose to convert your debentures rather than allow them to be redeemed by the Company. We urge you to take advantage of this final opportunity to convert your debentures. Please call us at (206) 655-2856 or The First National Bank of Boston at (617) 929-6803 if you need further information or if you have any questions about your debentures.

BDEING

BUSINESS ROUNDUP

BTR to Sell Heinemann for \$140 Million

Reuters
LONDON — BTR PLC, the British engineering, energy and transportation group, said Monday that it has agreed to let Octopus Publishing Group PLC buy its Heinemann Group in a transaction valued at £100 million (\$140 million).

The sale is being handled

through the issue of 18.75 million new Octopus ordinary shares to BTR, which would own 35 percent of the enlarged capital of Octopus.

Octopus shares were at 540 pence in early trading on the London Stock Exchange, compared with the 535-pence close on Friday. BTR's shares were quoted at 318

pence each, down from 320 pence at Friday's close.

When the sale is completed, the chairman of Octopus, P. Hamlyn, would own 39 percent of the enlarged Octopus share capital. A further 5 percent would be owned by the remaining directors and employees of Octopus.

Heinemann is a long established publisher of hard-cover, trade and educational books.

The group made a pretax profit of £7 million in the year to Dec. 29, after adjusting for nonrecurring items relating to BTR's ownership. Net assets were £20 million at that date.

Heinemann's managing director, Nicolas Thompson, will join the board of Octopus.

A joint statement by BTR and Octopus said Heinemann would operate as an autonomous company within the enlarged group.

Because of his interest in the outcome, Mr. Hamlyn is unable to participate in the recommendation of the transaction or to vote his shares at the extraordinary meeting to approve the purchase.

Dresdner Bank's Operating Profit Up 1.3% in Half

Reuters

FRANKFURT — Dresdner Bank AG said Monday that its operating profit, excluding trading on its own account, rose 1.3 percent in the first six months of 1985, to 402.8 million Deutsche marks (\$141.3 million), from 397.5 million DM in the corresponding period last year.

The bank said in a letter to shareholders that total operating profit rose to a record level. It did not provide figures, but said total operating profit was boosted by higher own-account earnings, particularly in securities.

Group operating profit also rose, the bank said, but it did not give detailed figures.

Dresdner said its interest surplus rose to 1.23 billion DM from 1.20 billion in the first half of 1984, while the commission surplus on securities trading rose to 454.9 million DM from 425 million.

Dresdner attributed the rise in commission surplus to higher earnings in securities trading and to an increased number of new stock issues.

Fashion Designers Find Success in Cheaper Lines

(Continued from Page 9)

only \$15 million five years ago. And other designers envision similar growth.

Indeed, there has been no shortage of designers willing to try their hands at less expensive lines. Beside Saint Laurent's Variation line and Lauren's Classifications, there is Anne Klein II. Portfolio from Perry Ellis and Bill Blass's Blastoff. Even Karl Lagerfeld, known as the designer for women with big bank accounts, joined the trend in April with J.L. Sportswear.

Lauren jumped into the lower-priced field in 1979. But the broad movement to secondary designer lines — mainly sportier clothing at prices between better sportswear and designer clothes — took off about two years ago.

One impetus was to bring down the cost of designer clothing. But the major reason for the secondary lines was to build on designers' reputations and expand business. A lower-cost designer line, such as Ellis's year-old Portfolio, can greatly increase business.

"We plan in the next two to three years to do almost four times the business we do in collections," said Zachary Solomon, chief executive officer of Perry Ellis Ltd. "We could have \$100 million in sales in the next three to four years in men's and ladies' Portfolio business."

For designers, the secondary designer lines represent a significant marketing departure. Even though

many of them have licensed their names for apparel, they have personally shied away from associating themselves with lower-priced designer lines. The exception is Halston, who was criticized by fellow designers three years ago when he created Halston III for J.C. Penney Co.

Retailers generally have welcomed the new designer lines. "I think the woman today needs more choices," said Gerald H. Blum, executive vice president and director of marketing for Lord & Taylor.

But many retailers were initially disappointed. "We were so excited that this designer or that one had a new line that we didn't evaluate the line on the strength of the merchandise," said Mary Hughes, merchandise manager of Dayton-Hudson Department Store Co. in Minneapolis, which enthusiastically bought several lines, then found that many did not sell well. "The styles were not fresh. Except for Anne Klein II, the clothes were a rebash. They did not deliver enough value for the money," she added.

Most designers admit they misjudged the enthusiasm of shoppers. They found that neither their names nor lower prices guaranteed sales.

The new line of clothing required that designers change their way of thinking. Volume became important. And price became a primary consideration.

British National Coal Board Loss Widens to a Record \$3.1 Billion

The Associated Press

LONDON — Britain's state-owned National Coal Board said Monday that it had a record loss of £2.2 billion (\$3.12 billion at current exchange rates) in the fiscal year ended March 31, largely because of a year-long strike by miners.

The board reported a loss of £875 million in the 1983-84 fiscal year. The board, which owns 174 coal mines and employs about 170,000 miners, attributed £1.75 billion of the loss to the strike. The walkout was called by the National Union of Mineworkers to stop the closure of 20 unprofitable mines and to save jobs.

The strike, which the union called off in March after 357 days, was opposed by miners in the most productive coalfields. But it still closed or crippled two-thirds of the mines.

The board said that output in the latest fiscal year fell to 42 million tons from 105 million tons in the previous year.

Ian MacGregor, the board's chairman, said in his report that having survived the strike he looked forward "confidently" to the future.

Earnings

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

United States		Other		Revenue		Profit	
Company	1984	Company	1984	1984	1984	1984	1984
Automotive							
General Motors	1984	Chrysler	1984	1984	1984	1984	1984
1984	1984	1984	1984	1984	1984	1984	1984
Cooper Industries							
General Motors	1984	Chrysler	1984	1984	1984	1984	1984
1984	1984	1984	1984	1984	1984	1984	1984
Foster Wheeler							
General Motors	1984	Chrysler	1984	1984	1984	1984	1984
1984	1984	1984	1984	1984	1984	1984	1984
Armstrong World Ind.							
General Motors	1984	Chrysler	1984	1984	1984	1984	1984
1984	1984	1984	1984	1984	1984	1984	1984
Boeing							
General Motors	1984	Chrysler	1984	1984	1984	1984	1984
1984	1984	1984	1984	1984	1984	1984	1984
Clark Equipment							
General Motors	1984	Chrysler	1984	1984	1984	1984	1984
1984	1984	1984	1984	1984	1984	1984	1984
Clark Equipment							
General Motors	1984	Chrysler	1984	1984	1984	1984	1984
1984	1984	1984	1984	1984	1984	1984	1984

COMPANY NOTES

Adelaide Steamship Co. of Australia had only a 27-percent holding in Wormald International Ltd. when its \$47.2-million bid closed on July 17, its takeover consultant, Hartford (Fairfield) Pty., said. Wormald directors have recommended rejection of the bid.

Beecham Group PLC, the British pharmaceuticals concern, said it has received notification from Japanese national health insurance authorities that its broad-spectrum antibiotic Augmentin can be introduced in Japan early next month. A product license was sought last May.

Burton Group PLC, the British clothes retailer, said it bought 1.25 million shares in Debenhams PLC on Friday for a total of \$540 million. The purchase brings Burton's holdings in Debenhams to just over 10 percent. Burton has offered \$550 million (\$770 million) for De-

benhams. The bid closes on Friday. Dow Chemical Co. of the United States is planning a dollar-bond issue in Tokyo, the first by a private borrower, but the issue will take some time to complete because it involves negotiations on fees charged by a commissioned bank in Tokyo, securities industry sources said.

Mitsubishi Electric Corp. of Japan said it has won an order for five electricity transformer plants worth 15 billion yen (\$63 million) from Kuwait's Ministry of Electricity and Water. The five transformer substations with 132,000-volt capacity each will be delivered in 1987.

Nippon Life Insurance Co. of Japan denied a report that it had refused to buy part of a Dai-ichi Kangyo Bank Ltd. share issue aimed at raising 30 billion yen (\$126 million), and that the refusal triggered a decline among financial

shares on the Tokyo Stock Exchange. The report was in Nikkan Kogyo Shinbun, an industrial daily.

Times Mirror Co. of the United States said it bought about 33.05 percent of the stock tendered under its July 1 offer to repurchase 7.5 million of its common shares.

Total Indesote, a unit of the French oil company, plans to drill 100 wells in the Hamdi oil field off Kalimantan, Indonesia, from now until the end of 1989, maintaining oil production at 150,000 barrels a day, the Indonesian state oil company, Pertamina, said.

Union Explosives Rio Tinto SA, the Spanish chemicals conglomerate, has sold two oil tankers for a total of 3.8 billion pesetas (\$23.7 million) as part of an asset-stripping plan, a company spokesman said. He said the sale would not affect the company's crude oil supplies, and he did not disclose the name of the buyer.

U.S. Tool Orders Rose 5.5% in June

Reuters

WASHINGTON — U.S. machine-tool orders rose 5.5 percent, to \$235 million in June from \$222.7 million in May, the National Machine Tool Builders Association said Monday in its monthly statistical report.

The industry trade association said the June orders were up 2.6 percent from \$191.8 million in June last year.

Total shipments of machine tools rose 34 percent last month, to \$237.6 million, from \$177.3 million in May and were 16.7 percent above the orders of \$203.5 million in June last year.

Bulls Are Feeding Off Dollar

(Continued from Page 9)

sure bids rates are returning 7.20 percent and the inflation rate is at 4 percent on an annual basis.

Looking ahead, Mr. Selkin expects further turmoil in European cross rates. "The European currency scene will continue to be analogous to a leaky garden hose: step on one leak and the others will spurt," he said. "It is only natural that people will jump from weak to what they perceive to be stronger currencies."

Similarly, he noted, a currency

also becomes less attractive when investments denominated in it produce lower yields than can be obtained elsewhere, adding:

"However, there are two important factors that traders in foreign exchange should keep in mind. One is that most foreigners regard the United States as the safest haven for their savings. The second thing to remember is that no market can turn on a dime as quickly as those in currency futures because it is governed more by fear than by greed."

Monday's OTC Prices

NASDAQ prices as of 3 p.m. New York time.

Via The Associated Press

12 Month High Low Stock Div. Yld. % High Low 3 P.M. CLOS.

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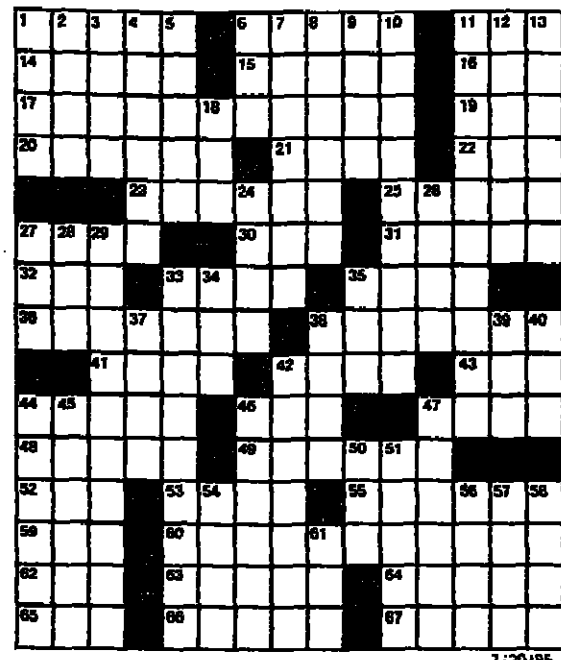
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22 Suffix with
acid
23 Band leader
Shaw
27 Unification
Church, e.g.
30 Vegas
31 Movie mogul
32 A feast—
famine
33 Weakens
35 Jr., e.g.
36 Superficial
displays
38 Friendly
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41 N.K.V.D.
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42 Season
43 Disease
44 Not suitable
46 Football pos.
47 Defeat

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48 Use a divining
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49 Tadpole,
caterpillar,
etc.
52 From—Z
53 Chief
55 Cover with
netting
56 Celtic Neptune
60 Present for
Mom and Dad
62 Hood's exit
63 Equine
64 Statue's garb
65 Frat vets
66 Sped
67 Circuit courts
1 "New Earth"
composer:
1985
2 Jacob's twin
3 Equine has-
bens
4 Hideaway for a
skeleton?
5 Impish
6 Sailor
7 Puzzles
8 Muscles
9 Order having
teeth
10 Affirmation
of beliefs
11 Conceited
person?
12 Kind of girde
13 Twain hero
18 P.I.

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DENNIS THE MENACE



"If kids have kidneys, do bugs have bugneys?"

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

TINAF

CIDDE

MIRNIF

STEJER

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: A C O O O F (Answers tomorrow)

Yesterday's Jumbles: MERGE RANCH EFFACE GAMBIT

Answer: How some prominent family trees were started—BY "GRAFTING"

WEATHER

EUROPE HIGH LOW

Amsterdam 21 26

London 21 26

Paris 21 26

Rome 21 26

Moscow 21 26

Stockholm 21 26

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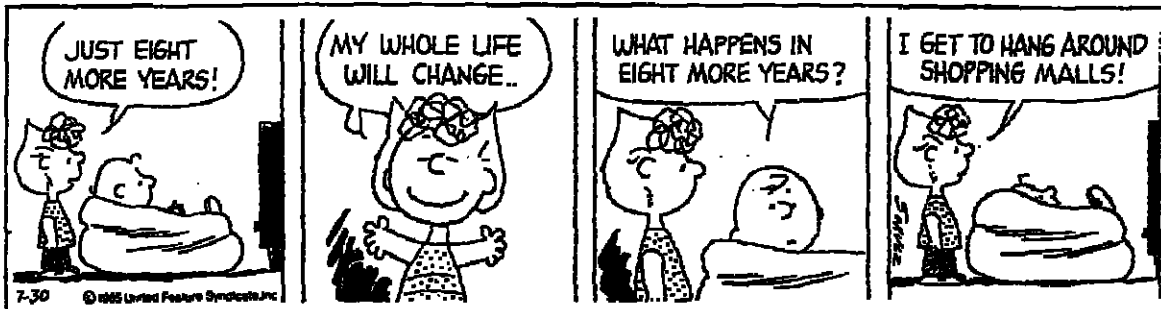
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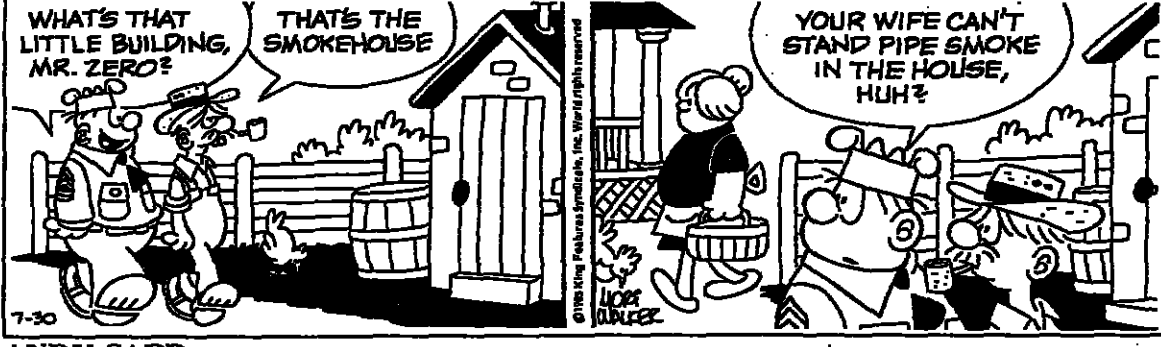
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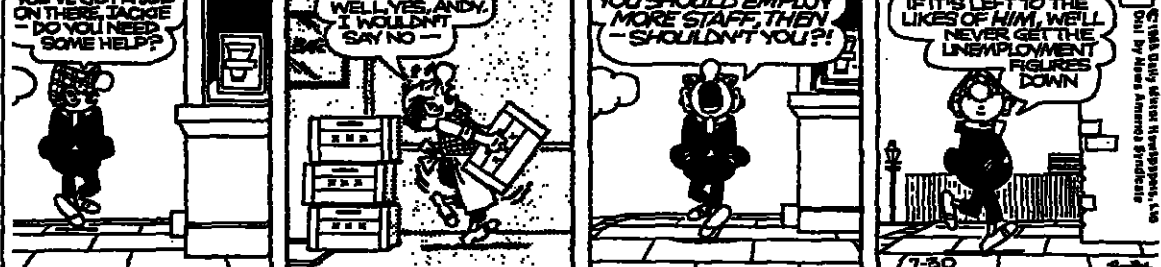
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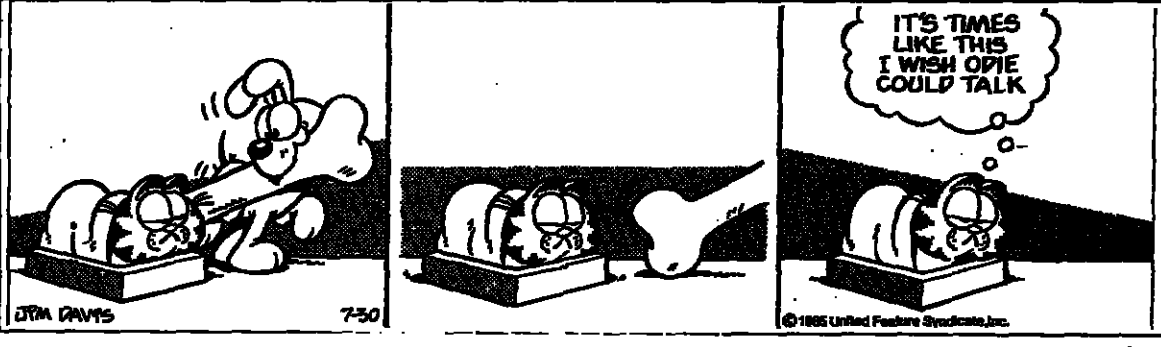
WIZARD OF ID



REX MORGAN



GARFIELD



BOOKS

KLASS: How Russians Really Live

By David K. Willis. 353 pages. \$16.95.
St. Martin's Press Inc., 175 Fifth Avenue,
New York, N.Y. 10010.

Reviewed by
Christopher Lehmann-Haupt

DAVID K. WILLIS, an Australian by birth, served from 1976 until 1981 as Moscow bureau chief for The Christian Science Monitor. During that time, he became aware of what all long-term visitors to Russia seem inevitably to notice. Far from being the classless society that its theoreticians and founders dreamed of, the Soviet Union depends upon finely calibrated degrees of rank and privilege to keep its people motivated and its economy moving. Willis calls the resulting perquisites and payoffs by the simple name of *klass*.

Instead of merely mentioning this phenomenon among numerous other sociological observations, as so many authors of books about the Soviet Union have done, Willis devotes an entire volume to it. It is fitting and useful that he has done so. Most readers with even a casual interest in contemporary Russian life have heard about the shortages of consumer goods, the inordinate time it takes to perform the most basic household shopping, the endless lines one must wait in to acquire the simplest luxury. They have heard of the shadow economy and the black market, of the terrible shortage of living space, of the near impossibility of buying a new car. Yet few readers will be aware of the pervasiveness of *klass* in Russian society.

Solution to Previous Puzzle

DOGS	MADAM	ALVA
ETUI	OMEGA	RUIN
BELL	BONES	IBOS
TALON	UNSTABLE	
WED	SHUDDER	EAR
ADAT	RID	SPAWNS
DEGREES	FESTOON	
ENGIRD	WON	ARNO
LOG	SHANE	TOW
ACE	OPTIMAL	
ROTATORS	APPLE	
ORAN	POPOLOLIES	
MAID	EVEGOL	ASAN
ALLY	SERIF	TAKE

In Willis's view, it is the key that winds the spring that powers the gears that drive the wheels on which the entire Russian system lurches forward, squealing and thumping and leaving behind it broken bits of machinery, and an occasional tooth or human mind.

"In the United States class is linked to income," writes Willis. "In the United Kingdom it is still connected to birth, speech, manners. In the U.S.S.R., *klass* is a deadly serious business, bound up with job connections, initiative, vigilance, and ingenuity." *Klass* is what you have in abundance if you are at the top—if you are a Communist Party chief, a government minister, a military marshal, a senior general, a member of the KGB or police elite, or among the handful of well-known scientists, intellectuals, artists and entertainers. But *klass* leaks down, even to the lowest levels of the urban and rural classes. Everyone has at least a tiny piece of *klass*, even if only a job in a theater box office or the power to admit patients to a hospital emergency room; otherwise it would not be possible to survive.

Klass is interesting to read about, up to a certain point. In Willis's hands, it provides an occasion for funny or pathetic anecdotes and it permits him to reveal some significant details of Russian life; that it is not unusual to spend more than 50 percent of one's budget on food, or that banks pay only 2 percent on savings deposits. We learn that Russian authors receive in royalty payments (the more their books sell, the lower the rate) and that it has proved possible to bribe traffic police with copies of Playboy magazine. We are told that because of *klass* and what it has done to Russian health care, the life expectancy of men and women is less than what it was 30 years ago. *Klass* allows Willis to discuss the problem of non-Russian nationalities in the Soviet Union and to conclude that, contrary to some speculation, it is not likely to cause serious problems of dissension, at least within the foreseeable future.

The only serious drawback to "*Klass*" is that its author seems throughout to be driving at some final climactic point. What that finally turns out to be is contained in the question: Will *klass* eventually serve to undermine the Soviet empire? Willis's answer seems to be that maybe it will in the long run, but not in the immediate future. For the time being at least, he concludes, *klass* is more an instrument of party control than it is a time bomb ticking away in the foundation of the Soviet system.

Christopher Lehmann-Haupt is on the staff of The New York Times.

CHESS

By Robert Byrne

JAM Timman, a 33-year-old Dutch grandmaster, achieved an easy triumph in the second Interzonal Tournament, held in Mendaxco, Mexico. The winner's score was 12-3.

The interzonals are the second step in the two-year cycle that will qualify for the next stage, the Candidates Tournament, were Jesus Nogueiras, a 26-year-old Cuban grandmaster, who came in second with 10½-4½; Mikhail Tal of the Soviet Union, a 48-year-old former world champion, who was third with 10-5; and Kevin Spraggett, a 30-year-old Canadian international master, who took fourth with 9-6.

Those who had already qualified for the Candidates Tournament from the first Interzonal, which was held in Garmath, Tunisia, were Artur Yusupov and Aleksandar Belyavsky of the U.S.S.R. and Lajos Portisch of Hungary. The remaining place will be decided by a playoff match between Viktor Gavrilov and Alexander Chernin, both of the Soviet Union.

Timman used his current favorite variation against the English Opening to defeat the British grandmaster Jonathan Speelman.

QBP's by 3... BxN:

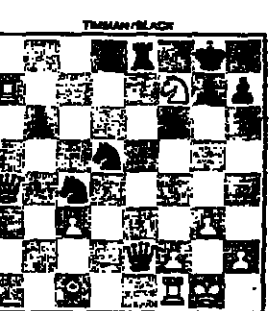
4NpXb was not to create a vulnerable weakness, but to cripple them so that they could not be used aggressively.

Speelman did not doubt those games by 9 PpP-P, PpP, but he was acquired a readily attackable weakness—his backward QBP. His attempt to take tactical advantage of Timman's piece placement with 10 PpP, PpP: 11 Q-R4 came to nothing against the sharply prepared 11... O-O! The trick was that 12 QbXN, NxB: 13BxB, Qb2: 14 BxR, QxPb: 15K-B1, QxRb: 16 K-N2, RxB can hardly be bad for Black.

Timman did permit Speelman to seize a pawn with 19 RxB, but after 19... QR-Q1 several white pawns were hanging and could not be saved.

The Englishman tried active counterplay with 20 N-Sv5, but after 20... QxP, Black's threat of 21... N-K6ch dominated.

After 23 N-B7, Timman could not play 23... R-QB1? because of 24 Q-Q7! threatening to mate with 25 N-R6ch! However, his 23... NxB: 24 Q-B6, R-Q8 cut through the technical problems and left Black with a winning game.



Position after 23 N-B7

On 25 RxB, NxB, Speelman could offer no real defense, but vainly hoped for a miracle with 26N-R6ch.

After 32... RxB, the party was over, but Speelman played to the time control before giving up.

EXPLANATION

White	Black	White	Black
1 P-K4	1... P-K4	15 P-K4	15... P-K4
2 P-K3	2... P-K3	16 P-K4	16... P-K4
3 P-K3	3... P-K3	17 P-K4	17... P-K4
4 P-K3	4... P-K3	18 P-K4	18... P-K4
5 P-K3	5... P-K3	19 P-K4	19... P-K4
6 P-K3	6... P-K3	20 P-K4	20... P-K4
7 P-K3	7... P-K3	21 P-K4	21... P-K4
8 P-K3	8... P-K3	22 P-K4	22... P-K4
9 P-K3	9... P-K3	23 P-K4	23... P-K4
10 P-K3	10... P-K3	24 P-K4	24... P-K4
11 P-K3	11... P-K3	25 P-K4	25... P-K4
12 P-K3	12... P-K3	26 P-K4	26... P-K4
13 P-K3	13... P-K3	27 P-K4	27... P-K4
14 P-K3	14... P-K3	28 P-K4	28... P-K4

World Stock Markets

Via Agence France-Presse July 29

Closing prices in local currencies unless otherwise indicated.

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SPORTS

Lou Brock: Baseball's Liberation of a Southern Black

By George Vecsey
New York Times Staff

COOPERSTOWN, New York — It started, Lou Brock recalled, with a radio broadcast, KMOX in St. Louis reaching all the way down to Collinsville, Louisiana. There was a baseball game between the Brooklyn Dodgers and the St. Louis Cardinals, and on that Brooklyn Dodgers team was a black man named Jackie Robinson.

"I was a 9-year-old in a Southern town," Brock said. "Jim Crow was king. I was searching the dial of an old Philco radio and I heard Harry Caray and Jack Buck, and I felt pride in being alive. The baseball field was my fantasy of what life offered."

From the moment Robinson materialized on that radio in 1947, Brock was sufficiently released to become the leading base-stealer in the history of the game, for which he was honored Sunday at his induction into the Hall of Fame.

Also inducted were Hoyt Wilhelm, the late Joseph Floyd (Arky) Vaughan, and by the most far-reaching of coincidences, Enos (Country) Slaughter, who played in those first games Brock heard on KMOX.

They sat next to each other during the ceremony Sunday behind the Hall of Fame on a day so gorgeous that it should have been framed in a display cabinet of its own. The biggest names were Ted Williams, Stan Musial and Yogi Berra. With 22 previous Hall of Fame members, six of them black, in attendance, Brock addressed Slaughter's generation of baseball.

"I was a 9-year-old in a Southern town. Jim Crow was king. I was searching the dial of an old Philco radio and I heard a game in which Jackie Robinson was playing, and I felt pride in being alive. The baseball field was my fantasy of what life offered."

—Lou Brock

The sport itself has long since dealt with the segregation that kept black players out of so-called "organized" baseball until 1946. Old-time players have been inducted, and their feats memorialized in the ever-sophisticated displays at the hall. The years of deprivation are not ignored when Monte Irvin and Buck Leonard and Cool Papa Bell and Judy Johnson and Roy Campanella and Ernie Banks are introduced for yet another summer.

But Brock took history and made it live with an eloquence that was closer to Martin Luther King's "I have a dream" speech than to most acceptance speeches. Even the touchingly grateful talks by Wilhelm, Slaughter and Vaughan's daughter, Patricia Johnson.

Brock never raised a bitter feeling, but he did note that some major league players had feared the influx of black players when Robinson arrived from the minors in 1947. "Those persons were merely acting upon borrowed attitudes," Brock said, standing only a few feet from Slaughter, who has often been portrayed as one of the leading opponents of black players.

Slaughter suffered from the reputation, fair or unfair, that he was not voted into the Hall of Fame in the 15 years after his retirement from baseball in 1959, despite a .300 career batting average. He finally made it last March in a vote of the Veterans Committee, along with Arky Vaughan.

"I've never been bitter, and I'm not mad at anybody now," Slaughter said. Asked what he thought about Brock's memories of listening to Cardinal games on KMOX, Slaughter chose to see it as a tribute to the greatness of their mutual team. When asked specifically if he had opposed Robinson, Slaughter said:

"I've never in my life spoke against a black player. I was accused of spiking Robinson, but I stepped on a lot of players. When pitchers threw at my back, I never complained, either."

Slaughter said he had merely maintained the Gashouse Gang spirit of the 1930s, and Brock was later to resurrect it as a stealer of bases. Brock noted that he had other motivations:

"I existed as a major league player even at a time I was living the most ordinary life. I made

the choice to be a major league baseball player." Traded to the Cardinals in 1964 so the Cubs could acquire the pitcher Ernie Broglio, Brock helped the Cardinals win the World Series by batting .315 and, within a few years, replaced Maury Wills as the most feared base-stealer.

He finished with a .293 batting average in 2,616 games but is best known for his 118 stolen bases in 1974 and his 938 stolen bases in his career. Rickey Henderson, now with the Yankees, broke Brock's single-season record with 130 in 1982 for the Oakland A's.

Brock recalled politely when reminded that some writers saw him as a specialist and that some players had resented his dedication to stealing bases.

"People equate stealing a base to winning a game," he said. "They don't equate a home run or a single to winning a game. A stolen base is designed to go from one base to another. It's part of the game. I feel sorry for those guys who feel that way."

Slaughter also bristled at the specialist label. He is best remembered for scoring from first

base on Harry Walker's hit, scored a double, to win the 1946 World Series, and he did not deny that hustling gave him an edge. He corrected the old story that his minor-league manager, Eddie Dyer, had chided him for not running out a ground ball.

Another North Carolina player, Hoyt Wilhelm, joined Slaughter in the hall. Wilhelm holds the record for most games pitched in the major leagues, 1,070, from 1952 through 1977. His longevity is partially explainable by the mostly effortless knuckleball he threw and by making only 52 starts, one a no-hitter against the pennant-winning New York Yankees in 1958.

His career is all the more remarkable because he did not reach the major leagues until he was nearly 29. He pitched his three seasons at Mooresville in the North Carolina State League, and even was released once by Mooresville, and he lost three years in the service — taking shrapnel in his pitching arm at the Battle of the Bulge — before he ever got out of Class D ball.

Now a pitching instructor for the Yankees in the minor leagues, Wilhelm said he often tries to soften the blow for young players who are released by telling them how he survived being cut by Mooresville.

Arky Vaughan, like Slaughter, was selected to the Hall by the Veterans Committee. He batted .318 with Pittsburgh and Brooklyn from 1932 to 1948, sitting out three years, from 1944 through 1946, after a dispute with the Dodger manager, Leo Durocher. He led the league with a .385



Lou Brock

batting average in 1955. He died on Aug. 30, 1982, at Eagleview, California, trying to save a fishing companion from drowning during a sudden thunderstorm. He was 49 years old, and the body of water was Lost Lake.

"The fame and glory he never sought for himself are now his forever," his daughter said.

SPORTS BRIEFS

Lendl Wins Tennis Title, but Not Fans

INDIANAPOLIS (WP) — Ivan Lendl, who piqued civic pride last week by saying he did not want to play in the tournament, won the men's singles title in the U.S. Open Clay Court tennis championship Sunday by defeating Andre Guzman, 6-1, 6-3.

"Thanks for coming, even if you didn't want me to win," Lendl afterward told the crowd of 6,866 over the public address system. He had been designated by the Men's International Pro Tennis Council to play in the Clay Courts Championships as part of standard measures taken to ensure quality fields, but he was not shy about voicing his resentment at being forced to play on clay so shortly before the U.S. Open, which is played on a hard court.

Saturday, the crowd pulled for Boris Becker against Lendl and Sunday switched its allegiance to Guzman, once beating Lendl. "That's the way it goes," Lendl said. "That's too bad. Maybe next year you Boris will win."

Joyner Wins Festival Heptathlon

BATON ROUGE, Louisiana (UPI) — Jackie Joyner, silver medalist at the Los Angeles Olympics, produced 1985's largest heptathlon point total, 6,718, on Sunday night at the National Sports Festival, while Andre Phillips won the 110-meter hurdles in 13.25 and the 400-meter hurdles in 48.03, both times equal fastest in the world this year.

Kirk Baptiste rallied to post the world's third best time for 1985 in the 100 meters, 10.20. Charles Simpkins pulled off a major surprise by outdistancing world record holder Willie Banks and Olympic gold medalist Al Joyner in the triple jump. Simpkins' winning leap of 56 feet 11 1/2 inches (16.34 meters) was almost 10 inches better than that of Banks.

Olympics of 1984 Commemorated

LOS ANGELES (LAT) — The excitement created by the 1984 Olympics was rekindled Sunday as former gold medalist Rafer Johnson re-lit the Olympic torch atop the Los Angeles Memorial Coliseum to commemorate the first anniversary of the Summer Games.

Nearly 20,000 persons cheered as the ceremony was conducted to honor volunteers, torch-bearers and others who helped stage the Games.

For the Record

Mike McCallum, the undefeated World Boxing Association junior-midweight champion, successfully defended his crown in Miami when referee Robert Ramirez stopped the bout in the eighth round because David Braxton, the WBC's No. 1 contender, had a bad cut in his left eyelid.

The Wolverhampton Wanderers, one of England's most famous soccer clubs, was ordered disbanded by a judge in Birmingham because of debts totaling 700,000 pounds (\$980,000).

Race driver Mario Andretti was in stable condition in Indianapolis following surgery on his right collarbone, broken during a crash late in the Michigan 500 on Sunday; he also incurred a fractured hip socket and pelvis. The race was won by Emerson Fittipaldi.

Ally defeated the United States, 3-2, to win the final of the Gales Cup, the Davis Cup of junior tennis, in Vichy, France.

Cuba's national baseball team, making its first appearance in the United States in 26 years, rallied to defeat San Diego, 6-4, in the U.S. Open Amateur Baseball Tournament in Palm Springs, California. South Korea defeated a Ventura, California, team by 6-2.

Sammy Winder, the NFL Bronco's Pro Bowl running back, underwent emergency surgery for appendicitis early Sunday in Denver; the incident said there was no word on when he would be able to play again.

Nicky Farrugia, 24, the Maltese long-distance swimmer, Sunday became the first to cross the 60-mile channel between Sicily and Malta, his organizing committee said.

Heady Shot Helps Rookie Win at Golf

The Associated Press

CROMWELL, Connecticut — PGA rookie Phil Blackmar won the Greater Hartford Open golf tournament Sunday in a sudden-death playoff, and credited a photographer with an assist.

Blackmar sank a 10-foot putt on the first hole of the playoff — the 37th hole of the day, necessitated by a five-hour rain delay on Friday that threw the tournament schedule into disarray.

That putt defeated Jodie Mudd and Dan Pohl, but, said Blackmar, if it had not been for Bob Child, an Associated Press photographer, he would not have been in position to win his first tournament.

"I'd just like to thank the photographer I hit in the head," Blackmar said.

On the final hole of regulation, Blackmar's approach shot sailed off course and beamed Child, who was standing behind the green.

"I'm glad he stopped it," Blackmar said. "It probably would have gone out of bounds."

The ball caromed off Child and onto the fringe of the green, from where Blackmar was able to save par and gain a spot in the playoff with Mudd and Pohl.

Child was taken to the first-aid trailer, where he received 12 stitches in his forehead. But he was back on the job in time for the playoff.

The final hole was the closest brush Blackmar had with bogey in the 37 holes he played Sunday. He had 11 birdies and 26 pars during his 11 1/2 hours on the golf course.

Blackmar, at 5 feet 7 1/2 inches and 260 pounds (117.9 kilograms) the largest player on the professional tour, finished regulation play at 13-under-par 271, tied with Pohl and Mudd.

Mudd, putting first in the playoff on the par-3, 172-yard 16th hole, slid his 13-foot putt past the cup on the left side.

Blackmar, 27, then rolled his putt straight into the cup.

When Pohl left his eight-foot putt short of the hole, Blackmar was the winner.

Ray Floyd and Wayne Grady, co-leaders after the third round, each shot 72 on Sunday and finished a stroke back at 272.



Catcher Donnie Scott had the ball and a good look at Dwight Evans of the Red Sox sliding home, but he did not have time to make the tag. The Mariners won Sunday's game, 7-2.

Martin's Lung Punctured by Injection

The Associated Press

ARLINGTON, Texas — The New York Yankees' manager, Billy Martin, had a lung punctured by a doctor's injection during Sunday night's game and had to remain behind that night while the team flew out to Cleveland.

Martin was to be re-examined again Monday, said the Yankees' public relations director Joe Safety.

Martin left the game against the Texas Rangers in the second inning complaining of chest spasms. Safety said. He was taken to the Arlington Stadium first aid station and given an injection by B.J. Mycockie, the Rangers' team doctor.

Shortly afterward Martin complained of chest pain. Mycockie said, and he ordered Martin taken to Arlington Memorial Hospital for X-rays that showed a small perforation in the lung, which caused air to come between the chest wall and the lung.

"Martin experienced problems with breathing, and he complained of shortness of breath," Safety said.

"I guess I misjudged the thickness of Martin's wall. Usually people associated with baseball have a lot more thicker chest wall," Mycockie said.

"It's not that serious," said the doctor. "The needle created a very small hole, but flying with a punctured lung poses a problem."

"We're sure not going to send him up in a plane with a puncture problem," Mycockie said.

Mycockie said the back spasms affected Martin's right side just below the shoulder.

Drew Wilkendorf, emergency room spokesman at Arlington Memorial, said Martin arrived at the hospital about 7:45 P.M. but received no treatment. The manager stayed only about 10 minutes and, as soon as the X-rays were finished, returned to the stadium, Wilkendorf said. Martin was seen again in the dugout in the eighth inning.

Martin remained overnight in his motel room in Arlington. A coach, Lou Piniella, will substitute as the Yankees' manager if Martin is unable to be in Cleveland for Monday night's game, Safety said.

Martin's condition is not expected to affect the Yankees' season, Safety said.

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Jays Sweep Angels, Pull Away in AL East

Compiled by Our Staff From Dispatches

TORONTO — The Blue Jays are again the talk of the American League.

"In these last four games, the hitting, pitching and defense seemed to all come together at once," said Toronto's manager, Bobby Cox, after his team completed an impressive sweep of the California Angels with a 5-1 victory Sunday.

The Blue Jays won their team record-tying eighth straight and increased their lead in the East Division to seven games — their biggest margin of the season. They began their winning streak the previous Sunday, when they held only a 1 1/2-game lead over second-place New York.

The Blue Jays outscored the AL West-leading Angels, 23-7, in the series and outpitch them, 52-28. The Angels had not lost four in a row since last September.

"I think we've got a pretty good lineup when some people aren't hitting," Cox said. "But when every one swings the bat like they're doing now, I think it's an awesome lineup."

George Bell put Toronto ahead with a two-run double in the first inning and Doyle Alexander scattered eight hits to make the lead stand up.

Alexander struck out nine. The only run he gave up came on Reggie Jackson's 17th home run this season, in the eighth inning. Jackson's 520th homer in the majors put him one behind Willie McCovey and Ted Williams on the all-time list.

Tigers 3, Twins 2: Detroit's Darrel Evans, who began a resurgence at the plate two months ago in Minnesota, hit his 300th homer in the majors to break a six-inning tie at the Metrodome.

Evans had only two homers and four RBI before going 4-for-4 against the Twins on May 15. Since, he has had 20 homers and 48 RBI.

Orioles 6, White Sox 1: Rich Dauer, Eddie Murray and Gary Roenicke hit bases-empty homers in the sixth as Baltimore won in Chicago behind Scott McGregor's four-hitter. The home runs all came against starter Britt Burns, who had a one-hitter the first five innings.

Murray has homered in five of his last seven games to boost his total for the year to 18 and has an 11-game hitting streak.

Royals 7, Indians 4: In Kansas City, Missouri, Steve Balboni hit a

BASEBALL ROUNDUP

three-run homer and Hal McRae a two-run shot, his fourth homer in his last 10 games, to help complete a three-game sweep of Cleveland.

Mariners 7, Red Sox 2: Jim Friesley got four hits and Donatello Ramirez singled in two key runs as Seattle won in Boston.

A's 5, Brewers 2: In Milwaukee, Alfredo Griffin had three hits, scored three times and drove in a run for Oakland. Danny Darwin, 6-12, lost his eighth straight.

Dwayne Murphy, who had an RBI double and walked twice, scored on a wild pitch by Darwin to break a 2-2 tie in the eighth.

Rangers 8, Yankees 2: In Arlington, Texas, Cliff Johnson went 3-for-3 and drove in three runs against New York while Chris Welsh recorded his first victory as a starter since September 1982. The Yankees committed three errors in the first inning as the Rangers took a 5-0 lead.

Cubs 9, Dodgers 2: In the National League, Chicago ended a three-game losing streak with its rout in Los Angeles, but lost starting pitcher Rick Sutcliffe in the first inning with a pulled leg muscle.

Davey Lopes, drove in four runs with a homer and double to help end his former teammates' five-game winning streak.

Astros 12, Mets 4: Craig Reynolds had four of Houston's 19 hits in New York to help end a six-game losing streak. Joe Niekro pitched an eight-inning tie in beating the Mets for the first time in five tries this season.

Phillies 7, Braves 3: Von Hayes and Juan Samuel tripled during two three-run innings that beat Atlanta in Philadelphia. Jerry Kosman survived a poor start to pitch a five-hitter for his third complete game.

Expos 6, Reds 0: In Montreal, Andre Dawson's two-run homer, his first in six weeks, supported rookie Joe Hesketh's four-hit pitching against Cincinnati.

Cardinals 4, Padres 2: Darrell Porter drove in three runs with a double and a homer as St. Louis won in San Diego. John Tudor got his 11th victory in his last 12 decisions while ending LaMar Hoyt's 11-game winning streak.

Giants 3, Pirates 2: In San Francisco, David Green's two-out single in the 16th scored Chris Brown from second base to complete a sweep of the four-game series with Pittsburgh.

(AP, UPI)

SCOREBOARD

Baseball

Sunday's Major League Linescores

AMERICAN LEAGUE			
California	200 200 70-1	1	0
Toronto	218 118 88-4	1	0
McCaslin (H. Clements) (5) and Boone; Alexander and White, 10-1. California, 17-1.			
DETROIT			
200 200 70-1	1	0	0
Minnesota	200 200 70-1	1	0
Tanner, Hernandez (2) and Malvin; Schrom and Lander, 10-1. Minnesota, 17-1. Hernandez (2), HR—Detroit, Evans (2).			
Baltimore			
200 200 70-1	1	0	0
Chicago	200 200 70-1	1	0
McGregor and Dwyer; Lander, 10-1. Chicago, 17-1. Hernandez (2), HR—Detroit, Evans (2).			
Seattle			
200 200 70-1	1	0	0
San Francisco	200 200 70-1	1	0
Moore and Scott; Hurst, Crawford (7), Clea.			

Major League Standings

AMERICAN LEAGUE			
Team	W	L	Pct.
Toronto	42	27	.606
New York	41	28	.592
Detroit	39	30	.565
Boston	38	31	.554
Baltimore	37	32	.538
Minnesota	36	33	.520
California	35	34	.509
Seattle	34	35	.493
San Francisco	33	36	.477
Chicago	32	37	.463
Los Angeles	31	38	.448
Philadelphia	30	39	.434
Pittsburgh	29	40	.420
Washington	28	41	.406
Atlanta	27	42	.392
St. Louis	26	43	.378
San Diego	25	44	.364
Houston	24	45	.350
Cleveland	23	46	.336
Indianapolis	22	47	.322
Montreal	21	48	.308
San Francisco	20	49	.294
Los Angeles	19	50	.280
Philadelphia	18	51	.266
Pittsburgh	17	52	.252
Washington	16	53	.238
Atlanta	15	54	.224
St. Louis	14	55	.210
San Diego	13	56	.196
Houston	12	57	.182
Cleveland	11	58	.168
Indianapolis	10	59	.154
Montreal	9	60	.139
San Francisco	8	61	.125
Los Angeles	7	62	.111
Philadelphia	6	63	.097
Pittsburgh	5	64	.083
Washington	4	65	.069
Atlanta	3	66	.056
St. Louis	2	67	.042
San Diego	1	68	.028
Houston	0	69	.014
Cleveland	0	70	.000

NATIONAL LEAGUE

Atlanta	56	43	.566	4th	Visit Powell, Hon.
Chicago	51	48	.526	8th	(N) and Indiana.
Philadelphia	49	50	.495	15th	0-1, St.—Branigan
Pittsburgh	47	49	.373	22	(N) Matthews (4)
West Division	31	65	.322		Pittsburgh
San Francisco	56	40	.582	—	San Francisco
San Diego	53	46	.535	4th	—
Los Angeles	51	45	.531	5	Reuschel, Guinn
Seattle	46	54	.455	12th	Davis 110, Garretts
Montreal	43	54	.443	13th	Garretts, S-3, L—
San Francisco	39	60	.394	18th	cucca, Brown 110

[illegible]